Foreign
Broadcast
Information
Service

50

ANNIVERSARY
1941 - 1991

Daily Report

East Asia

FBIS-EAS-91-243
Wednesday
18 December 1991

Daily Report
East Asia

FBIS-EAS-91-243

CONTENTS

18 December 1991

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

- South Korea's Nuclear-Free Announcement Welcomed *[KYODO]* ... 1
- Spokesman Cautious on Soviet Dissolution Reports *[KYODO]* ... 1
    - 'Wait-And-See' Attitude Adopted *[KYODO]* ... 1
- U.S. Auto Parts Imports Said of 'Poor Quality' *[KYODO]* ... 1
- Mitsubishi Export Plan for Chips Made in U.S. *[KYODO]* ... 2
- Advisory Panel Recommends Rice, Wheat Price Cuts *[KYODO]* ... 2
- Executives Admit Exporting Missile Parts to Iran *[KYODO]* ... 2
- Colombia Thanked on Release of Two Technicians *[KYODO]* ... 2
- Ministers, LDP Leaders Discuss Contribution Fund *[KYODO]* ... 3
- Prime Minister on International Contribution Issue *[Tokyo TV]* ... 3
- JETRO Says Investment Up 8.8 Percent in 1990 *[KYODO]* ... 4
- Miyazawa Taps Hasegawa To Chair Reform Panel *[KYODO]* ... 4
- Securities Industry Proposes Voluntary Regulation *[KYODO]* ... 4
- SDP Calls for Reorganizing SDF in Hokkaido *[KYODO]* ... 5

North Korea

- Kim Il-song Receives U.S. Congressman, Entourage *[Pyongyang Radio]* ... 5
- U.S. Urged To Officially Announce N-Withdrawal *[Pyongyang Radio]* ... 5
- U.S. Commits Air 'Espionage' Incidents 1-15 Dec *[KCNA]* ... 6
- Yon Hyong-muk Telephones South's Prime Minister *[Pyongyang Radio]* ... 6
- DPRK Efforts for Peace, Reunification Extolled *[Pyongyang Radio]* ... 6
- Social Democratic Chairman Hails N-S Agreement *[KCNA]* ... 8
- Japanese Foreign Minister Hails N-S Agreement *[KCNA]* ... 8
- SRV Comment on North-South Agreement Noted *[KCNA]* ... 8
- Humanitarian Steps for Honecker Supported Abroad *[KCNA]* ... 9
- Chang Chol Meets Russian Cultural Delegation *[KCNA]* ... 9
- Yon Hyong-muk at Agricultural Meeting 17 Dec *[KCNA]* ... 9
- Daily Urges Vigorous Production of Export Goods *[MINJU CHOSON 4 Dec]* ... 10
- Local Trade Successes Seen in Increased Exports *[Pyongyang Radio]* ... 11
- KCNA Reviews 18 Dec Pyongyang Press ... 12

South Korea

- No Tae-u Announcement on Nuclear-Free ROK *[Seoul TV]* ... 13
- Political Parties Welcome No Tae-u Speech *[YONHAP]* ... 14
- No Tae-u Sees Possible Early S-N Summit Talks *[Seoul Radio]* ... 14
- North Counterproposes 26 Dec for Nuclear Talks *[YONHAP]* ... 15
    - ROK Accepts 26 Dec Date *[YONHAP]* ... 15
- Seoul May Halt Exports to Soviet Union *[YONHAP]* ... 15
- Government Protests to PRC Over Incursions *[YONHAP]* ... 15
    - Some PRC Boats Leave *[YONHAP]* ... 16
- Trade, Investment Talks With PRC Begin *[YONHAP]* ... 16
- Report Urges New Trade Policy for Eastern Europe *[YONHAP]* ... 16
- More North 'Secret Nuclear Facilities' Reported *[YONHAP]* ... 16
- Japan Urges North To Accept Safeguards Accord *[YONHAP]* ... 17
- Economic Crisis in North Reported *[YONHAP]* ... 17
- Trade Ministry Lists Items for Direct N-S Trade *[YONHAP]* ... 17

Military Leaders Discuss New Defense Policy *[YONHAP]* 18
Steps To Rectify Trade Imbalance Announced *[THE KOREA HERALD 17 Dec]* 18
Imports of OPEC Oil Increase *[YONHAP]* 18

SOUTHEAST ASIA

Burma

Senior Generals 'Severely Criticized' by Ne Win *[AFP]* 20
Japanese Deputy Minister Arrives in Rangoon *[Rangoon Radio]* 20

Brunei, Malaysia & Singapore

Malaysia

Mahathir Previews Upcoming Japan Visit *[BERNAMA]* 21
    Views EC Economic Union, Cambodia *[Kuala Lumpur International]* 21
Minister on Ties With New Soviet Republics *[BERNAMA]* 21
Malta Called Base To Penetrate European Market *[BERNAMA]* 22
Government Explains Boat People Transfer to City *[BERNAMA]* 22

Singapore

First Trade Mission Leaves for SRV 17 Dec *[THE STRAITS TIMES 17 Dec]* 22

Cambodia

Sihanouk Urges Full Implementation of Paris Pact *[Radio VGNUFC]* 23
    Treaty To Be 'Strictly' Honored *[SPK]* 23
    1,034 Prisoners Released Since Signing *[SPK]* 23
Sihanouk Chairs SNC Secretariat Meeting 17 Dec *[SPK]* 24
Sihanouk Receives PLO Ambassador's Credentials *[SPK]* 24
Chea Sim Discusses Bilateral Ties With Lao Envoy *[Phnom Penh Radio]* 24
Hor Namhong Receives Chinese Envoy 12 Dec *[Phnom Penh Radio]* 25
Delegations Discuss Trade Consolidation, Expansion *[Phnom Penh Radio]* 25
Indian Minister Leaves; Visit Discussed *[Phnom Penh Radio]* 25
Vietnamese Two-Star Officer Arrested 10 Dec *[Radio VOK]* 26
France To Send 200 Mine Experts *[Phnom Penh Radio]* 26
300 Demonstrate Against Official Corruption *[AFP]* 26

Indonesia

Continuing Reportage on East Timor Shooting 27
    Commission Says Only 19 Killed *[Melbourne International]* 27
    'Legal Process' To Be Invoked *[Jakarta Radio]* 27
    Warning on 'Insinuative' Reports *[ANTARA]* 27
    Authorities Ban Demonstrations *[Melbourne International]* 28
    Alatas Interviewed on Incident *[TEMPO 7 Dec]* 28

Laos

Prime Minister Issues Decree on State Enterprises *[Vientiane Radio]* 29
Policy on Foreign Investment Discussed *[Vientiane Radio]* 31

Philippines

U.S. To Receive Termination Notice by 1 Jan 92 *[Quezon City Radio]* 32
Activists Protest Japanese Military Bill *[AFP]* 32
Japanese Envoy on Leak on Companies' Payoffs *[KYODO]* 32
Japan To Halt Loans Until IMF Conclusion *[PHILIPPINES NEWSDAY 18 Dec]* 33
Japanese Firm To Set Up 1.5 Billion Peso Plant *[THE CHRONICLE 17 Dec]* 33

$120 Million Damages Sought From Iraq *[PHILIPPINES NEWSDAY 14 Dec]* 34
Foreign Mining Investment Tops 8 Billion Pesos *[PHILIPPINES NEWSDAY 18 Dec]* 35
72-Hour Christmas, New Year Cease-Fire Ordered *[MALAYA 18 Dec]* 35
NPA Said Ready To Exploit Holiday Truce *[PHILIPPINES NEWSDAY 18 Dec]* 36
Abadia Interviewed on Army, Insurgency *[Manila Radio]* 36
Land Mine Kills 7; MNLF Held Responsible *[Manila Radio]* 39
Heavy Fighting Reported in Agusan *[MANILA BULLETIN 17 Dec]* 39
Columnist Views Fall of Political Institutions *[PHILIPPINES NEWSDAY 16 Dec]* 39

Thailand

Prime Minister Holds Talks With U.S. President *[Bangkok TV]* 41
Prime Minister Defends Election Watchdog Proposal *[THE NATION 17 Dec]* 41
Suchinda Views Possible Chatchai Election Run *[THE NATION 17 Dec]* 42
Muanchon Party Leader To Return From Exile *[THE NATION 18 Dec]* 43
    Suchinda, Itsaraphong Comment *[Bangkok Radio]* 43
    Deputy Premier Sees 'No Problems' *[Bangkok Radio]* 44
Cabinet Approves Purchase of Four C-130 Aircraft *[THE NATION 18 Dec]* 44
Cabinet Approves Easing Radio Frequency Controls *[BANGKOK POST 18 Dec]* 44
Minister on Signature Support 'Irregularities' *[THE NATION 17 Dec]* 45
Daily Considers Chat Thai Party's Future Role *[THE NATION 15 Dec]* 45
Samakkhi Tham Party's Role in Government Examined *[BANGKOK POST 15 Dec]* 47
Central Bank Chief on Economic Improvement Plan *[Bangkok Radio]* 48
Commerce Official on ASEAN Free Trade Area *[THE NATION 15 Dec]* 48
Columnist Reviews Lao Desire To Join ASEAN *[THE NATION 16 Dec]* 49
SRV Soccer Squad on Goodwill Mission 13-17 Dec *[Bangkok Radio]* 50

Vietnam

National Assembly Session Continues Work 17 Dec *[Hanoi Radio]* 50
    Communique No. 5 Issued *[Hanoi Radio]* 51
    Eighth Working Day Begins 18 Dec *[Hanoi Radio]* 51
Vietnam War Veterans Conference Held 9-11 Dec *[Hanoi Radio]* 51
    Do Muoi Addresses Meeting *[Hanoi Radio]* 52
Do Muoi Meets Cuban Ambassador on Farewell Visit *[VNA]* 53
U.S. Business Delegation Begins Visit 14 Dec *[Hanoi International]* 53
    Vice Premier Receives Delegation *[VNA]* 54
Conference Held To Review Refugee Repatriation *[Hanoi Radio]* 54
Australia Grants 'Supplementary' Aid *[VNA]* 54
State of Relations With China Discussed *[Hanoi International]* 54
Greetings to Greece, Guadalupe Communist Parties *[VNA]* 55
Mongolian, Burundian Envoys Present Credentials *[VNA]* 55
Vietsovpetro Invites Oil Firms To Tap Field *[VNA]* 55
WHO Director General Visits Ho Chi Minh City *[VNA]* 56
Airlines Reach Out to International Market *[VNA]* 56
Seminar on Women's Role in Child Care Reported *[VNA]* 56
Hospice To Treat Child Victims of Chemical War *[VNA]* 57

AUSTRALASIA

New Zealand

Central Bank Warns Economy Worse Than Expected *[AFP]* 58
Minister on Extradition of 'Rainbow' Saboteur *[Melbourne International]* 58

Papua New Guinea

Somare To Head Delegation to Bougainville Talks *[Melbourne International]* 59

Solomon Islands

Government Refuses To Host Talks on Bougainville *[Melbourne International]* 59

Vanuatu

Parliament Names New Prime Minister, Cabinet *[AFP]* 59
Prime Minister Appeals for International Aid *[Melbourne International]* 60

Western Samoa

Staple Food Exports Banned After Cyclone Val *[AFP]* 60
Australia, New Zealand Send More Emergency Aid *[Melbourne Radio]* 60

Japan

South Korea's Nuclear-Free Announcement Welcomed

OW1812120391 Tokyo KYODO in English 1151 GMT 18 Dec 91

[Text] Tokyo, Dec. 18 KYODO—Japan's Foreign Minister Michio Watanabe Wednesday welcomed South Korean President No Tae-u's announcement confirming South Korea nuclear-free.

Watanabe said in a written statement that Japan strongly urges the denuclearization of North Korea and also their acceptance of international inspection of their existing nuclear facilities.

He called on North Korea to sign and carry out accords with the International Atomic Energy Agency as soon as possible and shut down its nuclear processing facilities so as to clear away concerns held by the international community on nuclear development in North Korea.

He also said he expects progress in inter-Korean discussions on nuclear issues scheduled to be held in Panmunjom later in December.

Spokesman Cautious on Soviet Dissolution Reports

OW1812040991 Tokyo KYODO in English 0355 GMT 18 Dec 91

[Text] Tokyo, Dec. 18 KYODO—Japan responded cautiously Wednesday to reports that the Soviet Union would disband by the end of the year.

"The future relations between the Soviet Union, the European Community (EC) and...the United States remain unclear," Chief Cabinet Secretary Koichi Kato told a news conference.

"The situation is still fluid, so we would like to continue monitoring developments," he said.

Kato said he did not yet have sufficient information on Soviet President Mikhail Gorbachev's response to the decision to terminate the Soviet Union, reported by Soviet media to have been arrived at in a two-hour meeting with Russian President Boris Yeltsin.

The top government spokesman also reserved comment on how the expected changes would affect the configuration of the United Nations Security Council.

The Russian Federation has expressed interest in replacing the Soviet Union as one of the five permanent members that have veto rights.

The other permanent members are the United States, China, France, and Britain.

Prime Minister Kiichi Miyazawa has said in parliament that he would like to see the Security Council revised to reflect better the interests of smaller states.

'Wait-And-See' Attitude Adopted

OW1812105991 Tokyo KYODO in English 1008 GMT 18 Dec 91

[Text] Tokyo, Dec. 18 KYODO—Japan has adopted a wait-and-see attitude concerning the successor of the Soviet Union in the United Nations Security Council, a top Foreign Ministry official said Wednesday.

The official, who spoke on condition of anonymity, also said Japan was not considering making its own proposal on the issue.

Meanwhile, another official said a name change could entail a revision of the UN Charter, which now guarantees monopolization of the council's five permanent seats by the victorious powers of World War II—the Soviet Union, the United States, China, Britain, and France.

But the official added that it might also be possible for Russia, or some other entity to supersede the Soviet Union in the Council without a charter revision.

He noted that in the case of China, a founding member of the UN, a charter revision was not undertaken when it changed its name from the Republic of China to the People's Republic of China. The former name remains in the document.

The idea of revising the charter has always been controversial. Japan, India, Brazil, and other nations have expressed a desire to expand the number of permanent seats on the Security Council. The current occupants of those seats have always opposed expansion.

The resistance to any revision of the charter has hindered Japan's drive to have removed from the document two clauses it considers offensive. The clauses indirectly brand Japan, and other vanquished nations of World War II, as "enemy states."

"Now we are watching the situation in the Soviet Union and their position on what country should be represented," the official said.

"We will examine how we can approach the overall issue in the UN, but as for now we have not decided on a position," he said.

U.S. Auto Parts Imports Said of 'Poor Quality'

OW1812061591 Tokyo KYODO in English 0553 GMT 18 Dec 91

[Text] Tokyo, Dec. 18 KYODO—Imports of U.S.-made auto parts remain low because of their poor quality rather than any import barriers by Japan, a senior government source said Wednesday.

Referring to calls by the United States for Japan to buy more U.S.-made automobile parts, the source, who asked not to be identified, said, "U.S. auto parts have a poor performance and fail quite often."

Japan exported auto parts worth 104.8 billion yen to the U.S. in September, down 12.6 percent from a year earlier, while the U.S. shipped auto parts to Japan worth 5.22 billion yen, up 15.3 percent, according to official statistics.

The year-on-year decline in exports of auto parts from Japan is attributable mainly to Japanese auto parts makers increasing their production at plants in the U.S., an official at the Japan Auto Parts Industries Association said.

The U.S. share in the Japanese auto parts market remains negligible, the official said.

Mitsubishi Export Plan for Chips Made in U.S.

OW1712015191 Tokyo KYODO in English 0110 GMT 17 Dec 91

[Text] Tokyo, Dec. 17 KYODO—Mitsubishi Electric Corp. said Tuesday it plans to export about a third of the one-megabit microchips it produces at its plant in the U.S. state of North Carolina.

Mitsubishi Semiconductor America Inc., a wholly owned Mitsubishi subsidiary, produces about one million dynamic random access memory (DRAM) chips per month at the Durham plant.

The project is in line with the Ministry of International Trade and Industry's "business global partnership" initiative, launched to ease trade friction between Japan and its trading partners.

A Mitsubishi spokesman said two-thirds of the DRAM chips will be distributed in the United States and the rest exported—to Japan and possibly Europe.

Matsushita Electric Industrial Co. has announced a similar scheme.

Advisory Panel Recommends Rice, Wheat Price Cuts

OW1812091991 Tokyo KYODO in English 0907 GMT 18 Dec 91

[Text] Tokyo, Dec. 18 KYODO—An agricultural advisory panel recommended Wednesday that the government lower consumer prices of rice and wheat, officials said.

The officials said the recommendation was submitted to Masami Tanabu, minister of agriculture, forestry and fisheries.

The council [word as received] called for a 0.44 percent cut in the price of rice harvested in 1991 to an average 18,123 yen per 60 kilograms, including the three percent consumption tax.

The price of rice harvested in 1990 and 1989 will also be lowered to 186 yen and 567 yen respectively below the price of newly harvested rice, they said.

The council also recommended a 3.5 percent reduction in the prices of wheat, barley and oats.

The new prices will go into effect next February, the officials said.

The government sells rice to consumers at prices lower than it purchases from farmers.

It will be the second consecutive year-to-year fall in rice prices and the sixth for wheat.

Executives Admit Exporting Missile Parts to Iran

OW1812083791 Tokyo KYODO in English 0644 GMT 18 Dec 91

[Text] Tokyo, Dec. 18 KYODO—Four executives of a Japanese aerospace equipment manufacturer admitted at a court hearing Wednesday they had illegally exported air-to-air missile parts to Iran during the Iran-Iraq war.

The executives, from Japan Aviation Electronics Industry Ltd. (JAE), are Yukio Kaito, 64, the firm's former president; Keiichi Fukuizumi, 64, a former senior managing director; Yoshiharu Fukunaga, 58, a former director; and Hironobu Takahashi 52, a former head of the aircraft division.

Admitting the firm involved in illegal exports of repaired missile parts to Iran, Kaito told the Tokyo District Court, "I reluctantly approved the trade because the business had already started."

Prosecutors alleged that the firm and the four executives violated Japan's foreign exchange and foreign trade control law and tariff law over a period of 18 months beginning in May 1988 by exporting 1,357 flywheels for use in U.S.-designed Sidewinder air-to-air missiles for the Iranian Air Force's mainstay jet fighter, the U.S.-made FE-4 Phantom.

JAE made a profit of 35 million yen from exporting the flywheels without obtaining the approval of the Ministry of International Trade and Industry (MITI), the prosecutors said.

Flywheels function to stabilize the missile's flight and are vital for the accuracy of the heat-seeking missiles in targeting enemy aircraft.

Colombia Thanked on Release of Two Technicians

OW1712034691 Tokyo KYODO in English 0315 GMT 17 Dec 91

[Text] Tokyo, Dec. 17 KYODO—Foreign Minister Michio Watanabe thanked the Colombian Government Tuesday for its efforts leading up to the safe release of two abducted Japanese technicians held for nearly four months.

Watanabe told reporters that his "sincere thanks" were conveyed to the Colombian Foreign Ministry in a telephone call by Chihiro Tsukada, Japan's ambassador in Santa Fe de Bogota.

Akiyoshi Nakayama, 55, and Toshihiro Konishi, 41, both Toshiba Corp. employees, were released Monday morning in Colombia's second largest city of Medellin after a 111-day ordeal.

"Having perservered for such a long time, they are strong willed and commendable individuals," Watanabe said.

The two were kidnapped August 27 by armed men, believed to be leftist guerrillas, as they slept in a power company dormitory in the town of San Carlos in the northern province of Antioquia.

Embassy doctors who examined the two men found them both in good health, Watanabe said.

Nakayama and Konishi are in a hotel in Santa fe de Bogota, where they are expected to stay at least one or two nights, recuperating from mild fatigue and answering questions from Colombian law enforcement authorities, ministry officials said.

They would not say if Toshiba paid ransom for the release of its two employees.

Ministers, LDP Leaders Discuss Contribution Fund

OW1712153691 Tokyo KYODO in English 1412 GMT 17 Dec 91

[Text] Tokyo, Dec. 17 KYODO—Ruling Liberal Democratic Party (LDP) tax policy chief Kabun Muto asked government leaders Tuesday for budgetary measures to create a proposed international contribution fund.

Muto, the head of the LDP's research commission on the tax system, abandoned temporarily a plan to increase taxes for the 1992 fiscal year to feed the fund.

Muto met with Foreign Minister Michio Watanabe, Finance Minister Tsutomu Hata, and LDP Secretary General Tamisuke Watanuki to discuss plans for funding the controversial proposal.

Throughout the discussion, in order to leave open some plans for the fund in the mid- or long-term, the LDP representatives asked the government to consider measures for expenditure next year.

Earlier, government sources said Muto had proposed introducing a tax increase to pay for the fund during or after fiscal 1993.

Hata told Muto that plans to use 200 billion yen were not clear on how the money would be spent and no conclusions emerged from the meeting.

The meeting agreed that under current circumstances it would be difficult to request Japanese taxpayers to shoulder a new burden, and further added it would be necessary to gain their understanding and cooperation.

In setting aside plans for the fund, Muto remarked that a general outline of tax revisions would be considered to devise a tax system which would allow the execution of international contributions.

Watanuki called upon the wisdom of the government in order to prevent the extinguishing of the contribution fund, adding the importance and recognition of the fund are tied together.

Thus far, the fund is being considered for contributions to united nations peacekeeping operations, as an upper layer of the Foreign Ministry's economic contribution expenses, and to finance preservation of the global environment.

Measures to incorporate the related funds of relevant ministries and agencies with the international contribution fund, however, are expected to meet with stormy opposition.

Firm opposition was voiced to a tax increase plan to raise 1.3 trillion yen in international aid funds in the budget beginning next April, by combining 800 million yen in official development assistance funds with 500 billion yen in increased tax revenue.

Earlier, LDP sources revealed Muto's panel is studying plans to halt tax refunds for deficit-ridden corporations, sell stocks in Japan Tobacco Inc., or using consumption tax revenues to raise the 200 billion yen.

The LDP's tax panel will continue discussion on the international contribution tax and is expected to adopt an outline of the panel's policy for fiscal 1992 on Thursday, one day beyond the Wednesday deadline.

Prime Minister on International Contribution Issue

OW1812101091 Tokyo NHK General Television Network in Japanese 0300 GMT 18 Dec 91

[Text] The proposal for increasing taxes to ensure financial sources for international contributions has been temporarily abandoned. With regard to this issue, Prime Minister Kiichi Miyazawa stated his views at the House of Councillors' Special Committee on International Peace Cooperation that resumed its session today. Prime Minister Miyazawa said that viewed from the medium- and long-term standpoint, it becomes necessary to prepare financial measures for providing international contributions.

At the session held today, Takashi Tanihata of the Social Democratic Party of Japan asked Prime Minister Miyazawa for his views about the fact that the proposal for increasing taxes to ensure financial sources for international contributions had been termporarily abandoned last night. This issue has become a focal point in compiling the draft budget for fiscal 1992.

In response, Prime Minister Miyazawa said that it would be difficult to deal with aid to the Soviet Union and East European nations via the ODA—the official development assistance—for developing nations; that Japan is now being urged to deal with various global issues, including environmental as well as scientific and technological problems; and that it had now become necessary for Japan to prepare financial resources for international contributions. He said that Japan is certainly not in a favorable financial situation at present, but that the government will give serious consideration to what Japan can do in the future.

Thus the prime minister disclosed that based on medium- and long-term perspectives, it would be necessary to prepare financial measures for providing international contributions.

JETRO Says Investment Up 8.8 Percent in 1990

OW1812090591 Tokyo KYODO in English 0849 GMT 18 Dec 91

[Text] Tokyo, Dec. 18 KYODO—Japan's direct overseas investment in 1990 rose 8.8 percent over the preceding year, ranking first in the world for the second straight year, a governmental trade organization reported Wednesday.

The Japan External Trade Organization (JETRO), in a report on global trade for 1992 released Wednesday, said global investment overseas in 1990 grew a moderate 4.6 percent over 1989 to 217.2 billion dollars, compared with a 23.7 percent rise in 1989 and a 23.1 percent increase in 1988.

The organization cited the global economic slowdown and the worsening of the investment environment resulting from the Persian Gulf crisis as major factors responsible for the sluggish overseas investment.

JETRO said Japan's direct overseas investment amounted to 48 billion dollars or 22.1 percent of global investment, retaining the No. 1 spot for the second straight year.

The United States ranked second with investment totaling 33.4 billion dollars, up 0.1 percent over 1989. The investment by the European Community countries totaled 89.4 billion dollars, up 5.1 percent, it said.

Japan, however, ranked third after the United States and Britain in terms of outstanding balance of investment from 1970 to 1990.

The number of joint ventures formed in the Soviet Union and East European countries by Western enterprises surged 2.8-fold to 31,000 cases, but very few of them were in operation and investment per project was small.

JETRO said the United States remained the world's largest investment recipient nation in 1990, although the inflow of foreign capital fell 47.3 percent from the previous year to 37.2 billion dollars.

Foreign investment in the European Community was on the increase ahead of the 1992 market integration while that in Japan was small at only 1.7 billion dollars, it said. The slow investment in Japan was attributed largely to a labor shortage, limited access to official procurement, high land prices, and exclusive business practices.

Miyazawa Taps Hasegawa To Chair Reform Panel

OW1812060491 Tokyo KYODO in English 0540 GMT 18 Dec 91

[Text] Tokyo, Dec. 18 KYODO—Japanese Prime Minister Kiichi Miyazawa has tapped veteran politician Takashi Hasegawa as chairman of the ruling Liberal Democratic Party's [LDP] political reform panel, party sources said Wednesday.

The sources said Miyazawa will formally ask Hasegawa, a House of Representatives legislator from Miyagi Prefecture, to fill the post. Hasegawa previously served as minister of justice, transport, and labor.

At present, the post is temporarily held by Yoshiro Mori, chairman of the LDP Policy Affairs Research Council.

Miyazawa has singled out political reform as one of his government's top priorities, reversing his earlier conflicting stand on the matter.

Securities Industry Proposes Voluntary Regulation

OW1812043691 Tokyo KYODO in English 0357 GMT 18 Dec 91

[Text] Tokyo, Dec. 18 KYODO—The Japan Securities Dealers Association on Wednesday proposed voluntary rules for self-regulation, including a limit on the number of shares to be allotted to investors in connection with a capital increase through public stock subscription.

The limit would be 10,000 shares per investor for stocks with a par value of 50 yen.

The rules, approved Wednesday morning by a committee of the ruling Liberal Democratic Party's finance division, are expected to be officially adopted at a meeting of the industry association's board of directors Wednesday afternoon.

The rules, intended to prevent a repeat of the stock scandals that rocked the nation earlier this year, are to go into effect in January.

Officials noted that stock allocations in connection with a capital increase through public stock subscription can be used to provide benefits to favored investors.

The rules also stipulate that unlisted bonds must be traded in a range with no more than a 2 to 4 percent difference from the actual market value.

Unlisted bonds have been used in the past to compensate selected investors for market losses.

SDP Calls for Reorganizing SDF in Hokkaido

OW1812085391 Tokyo KYODO in English 0840 GMT 18 Dec 91

[Text] Tokyo, Dec. 18 KYODO—The shadow cabinet of the Social Democratic Party (SDP) called Wednesday for reorganizing the Self-Defense Forces (SDF) in Hokkaido, SDP sources said.

Director General of Defense Agency Kosuke Uehara of the shadow cabinet made the appeal to Sohei Miyashita, director general of the Defense Agency, the sources said.

Uehara urged the agency to formulate plans to reorganize, restructure, or reduce the Japanese military in Hokkaido, and to take measures to deal with potential changes from such a retrenchment program, the sources said.

Miyashita responded that the agency is reexamining the Ground Self-Defense Force and that it will unveil the plans after a review of its defense program three years from now, they said.

Miyashita also said his agency would like to fully discuss the issues with local governments before carrying out the overhaul of the SDF in Hokkaido, the sources said.

North Korea

Kim Il-song Receives U.S. Congressman, Entourage

SK1812082891 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 18 Dec 91

[Text] On 18 December the great leader Comrade Kim Il-song received U.S. Congressman Stephen Solarz, chairman of the subcommittee on Asian and Pacific affairs of the Foreign Affairs Committee of the U.S. House of Representatives, and his entourage, who is visiting our country.

Vice Premier and Foreign Minister Kim Yong-nam, and Song Ho-kyong, vice chairman of the Korean Foreign Affairs Society and director of the Institute of Disarmament and Peace, were present.

The great leader Comrade Kim Il-song conversed with the guests and arranged a luncheon for them.

U.S. Urged To Officially Announce N-Withdrawal

SK1812035591 Pyongyang Korean Central Broadcasting Network in Korean 0026 GMT 18 Dec 91

[NODONG SINMUN 18 December commentary: "They Should Show Through Acts"]

[Text] For some time now, the United States and the South Korean authorities have circulated by way of the mass media the rumor that the withdrawal of U.S. nuclear weapons from South Korea has began. They presently are circulating the rumor that the withdrawal of U.S. nuclear weapons is completed.

The root of the nuclear threat on the Korean peninsula lies in the U.S. nuclear weapons deployed in South Korea. Therefore, if they are really withdrawn, this is a very good thing.

However, whether the withdrawal of U.S. nuclear weapons from South Korea is actually completed has never been confirmed other than by press reports. The United States introduced nuclear weapons into South Korea. It is none other than the United States who should withdraw them. For this reason, above all, the United States should officially announce the withdrawal of nuclear weapons.

In as much as the United States acknowledged the existence of nuclear weapons in South Korea and the need to withdraw them, there is no reason for it not to make public the withdrawal of nuclear weapons.

The party responsible for withdrawing nuclear weapons keeps silent and says this or that through the press. Clearly, it must be interpreted as having an underlying plot in mind.

Removing the nuclear danger on the Korean peninsula is an urgent demand of the times, which brooks no further delay. In connection with this, our Republic Government has put forward and positively made efforts to realize all kinds of aboveboard, realistic proposals.

The justness of our Republic Government's proposal for withdrawing U.S. nuclear weapons from South Korea and for turning the Korean peninsula into a nuclear-free peace zone seriously has had a great influence on the international community with each passing day.

In the Foreign Ministry's statement dated on 25 November, the Republic Government put forward a new progressive proposal that if the United States begins the withdrawal of its nuclear weapons from South Korea, the DPRK will sign the nuclear safeguard accords and that the inspection to verify the existence of U.S. nuclear weapons in South Korea and the inspection of our nuclear facilities be conducted simultaneously.

To this end, more than anything else, whether U.S. nuclear weapons are withdrawn from South Korea should be clearly confirmed. However, the reality does not confirm this. That is, the United States, the master of nuclear weapons, keeps silent about whether it has begun or completed the withdrawal of nuclear weapons.

The issue of removing the nuclear danger from the Korean peninsula cannot be resolved through circulation of deceptive opinion. For us to believe it, the United States should duly demonstrate the withdrawal of nuclear weapons through practical acts.

U.S. Commits Air 'Espionage' Incidents 1-15 Dec

SK1812050491 Pyongyang KCNA in English 0404 GMT 18 Dec 91

[Text] Pyongyang December 18 (KCNA)—The U.S. imperialist aggressors sent the U-2 high-altitude strategic reconnaissance plane and committed an electronic espionage on the strategic depths of the northern half of Korea, letting it make shuttle flights for hours along the Military Demarcation Line [MDL] on December 15 and 16, according to military sources.

Earlier, they mobilized four RV-1 army tactical reconnaissance planes from the early morning on December 14 for an intensive photographic and electronic espionage on the frontline areas of our side, letting them make alternate flights for hours from the Kanghwa Island to Yonchon and from Yonchon to Sokcho along the MDL.

The aerial espionage committed on the North by the U.S. imperialists with the mobilisation of different types of reconnaissance planes from December 1 to 15 numbered 90.

Yon Hyong-muk Telephones South's Prime Minister

SK1812095191 Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 18 Dec 91

[Text] Premier Yon Hyong-muk, head of the North delegation to North-South high-level talks, sent a telephone message today to Prime Minister Chong Won-sik, senior delegate of the South's delegation.

The telephone message read: Pursuant to the agreement at the fifth round of North-South high-level talks to hold delegates' contacts to discuss the issue of denuclearization, I propose that the two sides hold the first round of these contacts at Tongilgak on our side of Panmunjom at 1000 on Thursday on 26 December. I inform your side that two delegates to North-South high-level talks, three specialists, and two or three additional members from our side will participate in this delegates' contact as has already been agreed.

We think that the working procedures for the delegates' contact can follow the previous practice and that we can therefore do without the contact between the responsible liaison officers of the two sides.

We look forward to hearing a positive response from your side.

DPRK Efforts for Peace, Reunification Extolled

SK1812063791 Pyongyang Korean Central Broadcasting Network in Korean 0014 GMT 18 Dec 91

[NODONG SINMUN 18 December "special article": "Victory of Peace Line Against War Line"]

[Text] The news report that an agreement of reconciliation, nonaggression, and cooperation and exchange between the North and the South was adopted at the fifth round of North-South high-level talks is making all of the fellow countrymen seethe with a burning desire for reunification. The adoption of an important document of agreement at the North-South high-level talks was an epochal event which opened a bright prospect for the solution of the question of the country's peace and its peaceful reunification.

In the agreement the North and the South firmly promised nonaggression, including the agreement that each side would not use arms against the other side and that each side would not invade the other side by force of arms. This is an outstanding first step in removing distrust, creating an atmosphere of trust, preventing war, ensuring peace, and achieving the peaceful reunification of the country.

In the recent North-South high-level talks both sides, sharing the understanding that there should be no nuclear weapon on the Korean peninsula, agreed to continue delegates' contacts to discuss the nuclear issue. This is also an important success of the talks. All of this is the due fruit of our earnest, consistent, and sincere efforts to prevent the danger of war, to alleviate tension on the Korean peninsula, and to arrange the preconditions for peace and national reunification.

The great leader Comrade Kim Il-song has taught: We have always attached priority importance to the peace question of the country and made all possible sincere efforts for its solution.

As is known, the Korean peninsula is the region where the danger of nuclear war is the highest in the world. Our fellow countrymen suffered the calamity of war once in the past despite the fact that they are the same nation. Since then they have never been free from the danger of war. Even the danger of nuclear war is hanging heavily over the heads of our fellow countrymen. If a nuclear war breaks out on the Korean peninsula the existence of the nation itself will be in danger, and peace in Asia and the rest of the world, as well, will be threatened seriously.

Without easing the tension prevailing on the Korean peninsula the distrust between the North and the South cannot be removed, and without removing the distrust between the North and the South any issue pending between the North and the South, including dialogue between them, cannot be solved. This tells us that the peace question on the Korean peninsula is a pressing matter that should be settled with priority for the country's reunification and the nation's peace.

In view of the vital significance and urgency of the question of guaranteeing peace on the Korean peninsula our party and the government of the Republic have made all possible efforts for peace thus far. Right after the realization of the ceasefire in Korea and, accordingly, the discontinuation of the gunfire of war we already put forward a proposal for reducing the armed forces of the North and the South to 100,000 or less respectively and repeatedly took many reasonable measures for peace, including the step of actively reducing enormous military strength.

In recent years we have put forward peace proposals and initiatives, including the proposal for holding tripartite talks, the proposal for holding North-South high-level political and military talks, the proposal for making the Korean peninsula a nuclear-free peace zone, the proposal for holding multinational negotiations for disarmament, and the proposal for suspending military exercises. At the same time we have taken the active and practical steps of unilaterally transferring more than 150,000 troops to peaceful construction sites, reducing 100,000 troops, and suspending large-scale military exercises.

In particular, in 1988 we advanced an inclusive peace policy which proposed that a declaration of nonaggression be adopted between the North and the South, that a peace agreement be concluded between Korea and the United States, that the armed forces of the North and the South be sharply reduced, and that U.S. forces and nuclear weapons be withdrawn from South Korea in a phased manner. Last year we put forward an important proposal for holding North-South high-level talks and for removing military confrontation, including nonaggression.

This year, already from the beginning of the year, proposing that this year be declared the year of detente, peace, reconciliation, and unity we advanced many initiatives to alleviate tension on the Korean peninsula and to arrange peaceful circumstances for national reunification, including the issue of adopting a declaration of nonaggression and the issue of suspending the Team Spirit joint military exercise, and the issue of making the Korean peninsula a nuclear-free zone, and have made sincere efforts for their realization.

The sincere efforts and magnanimity that we made and showed at the North-South high-level talks more clearly show that we are making all possible efforts for the settlement of the issue of peace on the Korean peninsula.

As is already been known, at the talks we have attached substantial and priority importance to removing the state of political and military confrontation. In particular, regarding the adoption of a declaration of nonaggression as a starting point in removing distrust, eliminating confrontation, and opening a new path for peace and peaceful reunification, we have made all possible sincere efforts for their realization.

The declaration of nonaggression between the North and the South should have been adopted as one separate document in light of its importance. However, taking the South side's insistence into consideration we have showed the magnanimity of allowing it to be adopted as one single document of agreement together with the issues of North-South reconciliation and cooperation and exchange. Even in the course of negotiations for making this single document of agreement we made repeated concessions on many issues, including the issue of converting the state of armistice into the state of peace and the issue of confidence building and disarmament. The South Korean authorities did not show any moves in adopting a declaration of nonaggression with us until the eve of the current talks.

As was revealed, this year, when North-South dialogue was proceeding according to schedule, the South Korean authorities, under the instigation of the U.S. imperialists, proclaimed a state of wartime emergency throughout South Korea from the beginning of the year on the plea of the war in the Persian Gulf and, thus, kicked off a war commotion there. They frantically staged the Team Spirit joint military exercise, a test nuclear war against us, together with the United States. As soon as the fourth round of North-South high-level talks ended they staged the large-scale Eagle 91 joint military exercise. Thus, they led the situation on the Korean peninsula to the brink of war.

On the eve of the fifth round of North-South high-level talks the South Koean authorities held the so-called security consultative meenting together with the U.S. imperialists and held a war confab with them for a northward invasion, talking about nonexistent nuclear development by the North. And they went so far as to trigger the commotion of sealing a war document called the wartime host nation support agreement which is generally concluded only in the time of war or on the eve of a war.

That the South Korean authorities this time signed the agreement of reconciliation, nonaggression, and cooperation and exchange between the North and the South in which the matter of nonaggression is included as an independent [tokchjok] part was because they could no longer bail themselves out in front of our patriotic and nation-loving peace policy and our sincere efforts for its realization.

Indeed, the adoption of the agreement of reconciliation, nonaggression, and cooperation and exchange between the North and the South is the victory of the peace line over the war line. With the pledge of nonaggression between the North and the South, the guarantee which makes it possible for the North and the South to do away with the distrust stemming from worries over a northward invasion and over a southward invasion and to settle the nation's long-cherished desire for reunification in an atmosphere of confidence through dialogue and negotiations has been provided.

The problem is that the North and the South sincerely keep the pledge of nonaggression which has been made public to the nation and the world. Respecting the agreements reached between the North and the South we will, in the future, too, make all possible sincere efforts to remove the danger of war and to preserve peace on the Korean peninsula. The South side, too, should sincerely implement the agreement in active response to our consistent efforts for solving the peace question and, at present, should take the step of suspending the military buildup and war exercises that may aggravate the situation on the Korean peninsula.

Social Democratic Chairman Hails N-S Agreement

SK1812110691 Pyongyang KCNA in English 1016 GMT 18 Dec 91

[Text] Pyongyang December 18 (KCNA)—The significant "Agreement on Reconciliation, Nonaggression and Cooperation and Exchange Between the North and the South", an equivalent of the July 4 joint statement published in the early '70s, was adopted at the fifth inter-Korean high-level talks for the fellow countrymen. I, taking it as an epochal event that made a great breakthrough in the solution of the problems of peace and reunification of the country, warmly welcome and support it.

Yi Kye-paek, chairman of the Central Committee of the Korean Social Democratic Party, said this in a statement issued to the press on Tuesday.

Of particular importance in the provisions of the agreement, he said, is an agreement on nonaggression between the North and the South.

Recalling that in order to tide over the extremely acute military confrontation between the North and the South, the DPRK Government has repeatedly and actively put forward reasonable, fair and realistic peace overtures and initiatives and made all its sincere efforts to carry them into effect, Yi Kye-paek said: The agreement on nonaggression reached at the recent talks is a fruition of our republic's honest, peace-orientated stand and our side's sincere efforts to lead the dialogue to a success.

The agreement has come to open a broad vista in our country for terminating the military confrontation that may plunge the nation into a big holocaust, for turning the North-South relations into stable, peaceful relations and bringing earlier national reunification. In this sense, the agreement on nonaggression means another display of the validity of the line of peace over the line of war, the chairman noted, and continued:

Now, the authorities of the North and the South must respect the provisions of the agreement on nonaggression adopted at the fifth talks and carry them into practice and, furthermore, take practical steps to finally remove the danger of war.

First of all, the two sides should immediately take necessary measures to bring to effect the agreement reached at the talks and honestly implement it.

They, not confined to it, must also advance toward the withdrawal of foreign troops and their military equipment including nuclear weapons from the territory of our country and drastic arms reduction.

For the present, the United States and the South Korean authorities must cancel the large-scale "Team Spirit 92" joint military exercises scheduled early next year.

The Korean Social Democratic Party will be unsparing in its efforts to ensure that the "Agreement on Reconciliation, Nonaggression and Cooperation and Exchange Between the North and the South" will be carried into practice at an early date and lead to the reunification of the country.

Japanese Foreign Minister Hails N-S Agreement

SK1812104991 Pyongyang KCNA in English 1009 GMT 18 Dec 91

[Text] Pyongyang December 18 (KCNA)—Japanese Foreign Minister Michio Watanabe had a press conference on December 13 concerning the agreement on reconciliation, nonaggression, and cooperation and exchange between the North and the South adopted at the fifth inter-Korean high-level talks, NHK reported.

Noting that it is an epochal event that the North and the South agreed with each other this time on the questions of nonaggression, exchange and cooperation on which the sides had not reached an agreement for a long time, he said:

I highly appreciate and hail it as one helpful to detente on the Korean peninsula.

Referring to the question of the normalization of Japan-DPRK diplomatic relations, he expressed the expectation that the inter- Korean agreement will have a good effect on the negotiations for the normalization of Japan-DPRK diplomatic relations.

He also expressed his strong hope that inter-Korean relations will make a leaping progress with the agreement as an occasion.

SRV Comment on North-South Agreement Noted

SK1712045691 Pyongyang KCNA in English 0418 GMT 17 Dec 91

[Text] Pyongyang December 17 (KCNA)—The Vietnamese paper NHAN DAN December 14 commented on the adoption of "agreement on reconciliation, nonaggression, and cooperation and exchange between the North and the South" at the fifth inter-Korean high-level talks.

Noting that it is the first agreement adopted by the North and the South in 40 odd year long constant confrontation, the paper says:

The world public opinion hails the adoption of the agreement on December 13 and estimates it as a historical result achieved in the course of removing confrontation and tension, creating an atmosphere of reconciliation between the North and the South and opening a prospect of peaceful reunification of the country.

Analysts say that great efforts should be made to resolve a series of problems pending between the two parts of Korea in a peaceful way in order to build confidence, create favourable conditions for cooperation and exchange between them and successfully implement the just adopted agreement.

Questions of particular importance are to fairly and reasonably solve such problems as reduction of military strength, withdrawal of U.S. forces and its nuclear weapons from South Korea, discontinuation of South Korea-U.S. joint military exercises and nuclear inspection of the Korean peninsula.

We believe that the two parts of Korea, out of the intention to pave the way of national reunification by their own efforts, will live up to the ardent desire of the entire Korean people and the expectation of the regional and global nations by taking concrete measures to achieve the cause of peace of the country and its reunification, overcoming hardships and obstacles.

Humanitarian Steps for Honecker Supported Abroad

SK1812153591 Pyongyang KCNA in English 1505 GMT 18 Dec 91

[Text] Pyongyang December 18 (KCNA)—Political parties and organizations of different countries addressed solidarity letters and messages to their Korean counterparts and released statements supporting the humanitarian steps taken by the Democratic People's Republic of Korea for medical treatment of Erich Honecker.

They said the DPRK's humanitarian steps are a practical model of true internationalist solidarity.

Foreign media have also given wide publicity to the DPRK's steps.

Chang Chol Meets Russian Cultural Delegation

SK1812112991 Pyongyang KCNA in English 1027 GMT 18 Dec 91

[Text] Pyongyang December 18 (KCNA)—Chang Chol, vice-premier and minister of culture and art, met and conversed at the Mansudae Assembly Hall today with a delegation of the Ministry of Culture of the Russian Federation led by Vice-Minister Radionov Valentin Alekseyevich.

Present on the occasion were Vice-Minister of Culture and Art Kim Chong-ho and Soviet Ambassador to Korea Aleksandr Kapto.

Yon Hyong-muk at Agricultural Meeting 17 Dec

SK1712235591 Pyongyang KCNA in English 1501 GMT 17 Dec 91

[Text] Pyongyang December 17 (KCNA)—A national meeting was held in Sukchon County, South Pyongan Province, today on the occasion of the 30th anniversary of the establishment of the new agricultural guidance system.

Placed on the platform of the meeting hall was a portrait of the great leader Comrade Kim Il-song.

Present there were Yon Hyong-muk, member of the Political Bureau of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and premier of the Administration Council; Han Song-yong, member of the Political Bureau and secretary of the C.C., WPK; and other officials.

Yon Hyong-muk conveyed a congratulatory letter of the WPK Central Committee to the officials and working people engaged in agriculture in Sukchon County.

Secretary of the C.C., WPK So Kwan-hui delivered a report at the meeting.

While giving on-the-spot guidance to Sukchon County in December 1961, the great leader Comrade Kim Il-song, basing himself on a comprehensive analysis of the situation of the country's farming, agricultural management, the level of agro-techniques and the material and technical foundations of rural economy, took epochal measures to establish a new agricultural guidance system, he said, and continued: The establishment of the new agricultural guidance system was an event which improved and completed the state guidance system and guidance method for the cooperative rural economy and marked an occasion of signal turn in allround socialist rural construction.

Comrade Kim Il-song said:

"The establishment of the county cooperative farm management committees and the provincial rural economy committees was an epoch-making step for radically reorganizing the system of guidance of agriculture in conformity with the changed realities in the rural areas, and was the most appropriate measure for meeting the urgent demands of agricultural development."

Comrade Kim Il-song separated the function of guiding the rural economy from the local power bodies, formed the county cooperative farm management committees and the provincial rural economy committees and reorganized the Ministry of Agriculture into the Agricultural Commission so that a regular agricultural guidance system could be established from the lowest leading units to the central leading organ.

The new agricultural guidance system fully embodies the chuche idea and the revolutionary mass line based on the idea. It is the best guidance system which makes it possible to guide and manage the rural economy by industrial method under the collective leadership of the party committee, realise the organic combination of all-people property with cooperative property so as to successfully accelerate the conversion of the rural economy into a large farm.

The new system of agricultural guidance, the embodiment of the requirements of the Chongsan-ri spirit and Chongsan-ri method and the Taean work system, is a chuche-oriented system to make the agricultural working people the masters of agricultural management and solve all problems in agricultural management with main stress on the work with people.

The great leader Comrade Kim Il-song, with a far-reaching plan to finally solve the rural question, published "Theses on the Socialist Rural Question in Our Country", a bright blueprint of the building of a socialist and communist countryside, in February 1964, and comprehensively indicated the orientation and ways of effecting a great progress in the building of the socialist countryside and in agricultural production by vigorously promoting the ideological, technical and cultural revolutions and giving full play to the might of the system of agricultural guidance.

With the great leader publishing the rural theses and wisely guiding the efforts to implement them, the advantages of the new system of agricultural guidance have been brought into full play, the guidance and assistance of the party and the state to agriculture has increased and more effective support of the working class has been given in all fields of politics, economy and culture. As a result, great upswing has been effected in the building of the socialist countryside and in agricultural production.

The Korean people and agricultural working people have deeply realised through practice that our system of agriculturl guidance is the best and most vital system of socialist agricultural management, and they firmly believe that adherence to the new system of agricultural guidance is the firm guarantee for completing the building of socialist countryside. A scientific symposium was held in Sukchon County today to mark the 30th anniversary of the establishment of the new system of agricultural guidance.

Daily Urges Vigorous Production of Export Goods

SK1812054291 Pyongyang MINJU CHOSON in Korean 4 Dec 91 p 1

[Editorial: "Let Us Positively Accelerate the Production of Export Goods."]

[Text] Today when the struggle to brilliantly carry out this year's assignments is waged in all fields of the national economy, vigorously pressing ahead with the production of export goods is raised as a very important issue.

The great leader Comrade Kim Il-song has noted: All fields of the national economy should positively find sources for exports and should largely increase the production of export goods.

Vigorously increasing the production of export goods is an important demand for successfully carrying out the export plan, which is assigned to us this year.

There is not much time left this year. It is high time for us to vigorously struggle to carry out this year's plan of producing export goods. The success in producing this year's export goods largely depends upon how we struggle in the time left this year. Only when the plants and enterprises of all units of the national economy largely increase the production of exports goods by putting more vigorous efforts into producing export goods can this year's export plan be successfully carried out. Only then can the goods, urgently needed for developing the national economy, be introduced.

The plan of producing export goods is the party's order and the country's law. Now, we are equipped with realistic conditions and the possibility of increasing the production of exports goods as required by the party. If we effectively use the bases of producing exports goods everywhere throughout the country, we can effect greater success in producing exports goods.

All functionaries and working people, who are assigned the work of producing export goods, should more vigorously struggle to produce export goods, while bravely tiding over difficulties and hardships that arise with a firm conviction in a victory.

To vigorously press ahead with the production of export goods, all functionaries should acquire a correct view of the work of producing export goods and should carefully command economic organizational work.

The production of export goods is a responsible work to effect a new turn in production and construction and to further increase national prestige at home and abroad.

The functionaries of all plants and enterprises, who are assigned the work of producing export goods, should clearly know that production means precisely exports and vice versa. They should also prudently command economic organizational work.

The functionaries in plants and enterprises, who are assigned the work of doing important export work, should go deep into production; should carefully organize relations in the production process; should concretely grasp the status of producing export goods by the day, by the ten-day period, and by the month; and should responsibly resolve issues arising in doing such work.

The fields into which we should put great effort are the mining industry, the building material industry, and the machine industry.

We, by putting efforts into those fields, should increase the production of nonferrous metals, magnesia clinker, coal, steel, cement, and machine tools. This is our party's firm determination.

Mines and coal mines of the mining industry fields—including Komdok Mining Complex, Musan Mining Complex, Taehung Youth Mining General Enterprise, and Kujang District Coal Mining Complex—should normalize production at a high level. In so doing, they should epochly increase the production of lead, zinc, magnesia clinker, iron ore, and coal.

The Kim Chaek Iron and Steel Complex, Songjin Iron and Steel Complex, and Chollima Iron and Steel Complex should primarily put efforts into producing export goods. By so doing, they should without fail guarantee the production of various types of quality iron as scheduled.

Cement is an important export itme. Enterprises in the building material industry, including the Sunchon Cement Complex and the 8 February Cement Complex, should properly manage facilities and put them into full operation. By so doing, they should produce more cement.

Plants and enterprises in the machine industry should further modernize the production process and should positively seek and mobilize inner reserves. By so doing, they should without fail guarantee the production of contracted machine tools.

Increasing the quality of export goods is a very important issue at present.

As society develops and the level of science and technology increases, the demand for quality export goods increases day by day. Under such circumstances, only when the quality of export goods is improved can the plan of exporting goods be carried out. Only then can our economic might be more vigorously demonstrated.

All functionaries and working people, who are assigned the work of producing export goods, should strictly observe methods and technological standards demanded in producing export goods. In addition, even though they produce export goods, they should positively struggle to produce good and useful goods. Thereby, they should momentously improve the quality of export goods.

Without creating a technological innovation in accordance with the demand of reality, the quality of export goods cannot be improved.

All plants and enterprises should further undertake and modernize the production process of export goods. In addition, they, by positively introducing various advanced production methods, should increase the quality of export goods to the world level.

To vigorously press ahead with the production of export goods, priority should be firmly given to the work of supplying materials.

Today, when production in national economic fields becomes closer, the production of export goods cannot be successfully promoted with only the strength of functionaries and the working people who are assigned the work of producing export goods.

Positively helping the production of export goods is worthwhile, not only for national prosperity and but also for our own happiness.

The basis for the work of supplying materials is raw materials and equipment, which are indispensable factors for producing export goods.

Committees and ministries of the Administration Council, including the committee for supplying equipment, should concretely grasp the status of the supply of raw materials and equipment, which are needed for producing export goods. They should thoroughly take measures to guarantee the supply of raw materials and equipment. Plants and enterprises, which are assigned the work of supplying raw materials and equipment, should give priority to qualitatively producing and guaranteeing raw materials and equipment, needed for producing exports goods.

Without railway transportation, the production of export goods is inconceivable. Plants and enterprises, which are assigned the work of producing export goods, urgently demand that raw materials, equipment, and already-produced export goods be transported at a proper time.

The fields of railway transportation should command transport organizations; should find more reserves of freight wagons; should attach importance to centralized transport; and should kindle the flame of the struggle to increase transportation. Thereby, they should rapidly transport the already-produced export goods—such as cement, coal, steel—to ports and destinations. They should also responsibly transport raw materials and equipment to plants and enterprises which produce export goods.

The party's confidence and expectation of our functionaries and working people, rising up to produce export goods, are greater than ever before.

All functionaries and working people, cherishing deep in their mind the firm conviction that, "What the party decides, we will do," should vigorously struggle to effect a new turn in producing export goods.

Local Trade Successes Seen in Increased Exports

SK1812002991 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 16 Dec 91

[Text] Each province, city, and county is directing great energy to the development of local trade.

In the 15 years since the great leader Comrade Kim Il-song established the local trade system, a great turning point has been effected in this area.

Thanks to the mass struggle to further develop local trade work of our own style, firm production bases have been built in this field. As a result, the number of kinds of export items has increased by 5.6 times during the past 15 years, and their export amount showed an average 40.5 percent yearly growth.

Such success attained in local trade is the result of the wise leadership of the party and the leader and clearly demonstrates the superiority and vitality of local trade of our own style. Our local trade enabled us to display to the maximum the initiative of local areas under the centralized and planned guidance of the state.

By upholding our party's intention, each province, city, and county actively mobilized and used the resources for trade and firmly built their production bases, thus briskly waging the local trade work.

Each province, such as North Hamgyong Province and North Hwanghae Province; each city; and each county carried out the mass struggle to build production bases for export commodities with a view to the future based on concrete evaluation of natural and economic conditions and of external demands.

As the result, a number of new production bases for export items were built in a short period of time, and export commodities were produced.

During the past 15 years, Chagang Province and South Pyongan Province increased the export amount of local trade by more than 100 times and Kangwon Province by more than 80 times, thus attaining success.

These provinces massively searched and mobilized the resources for export and properly built various (?metal) production bases and production bases for agricultural and native products, including mulberry fields, according to their own practical situation. They properly organized their production work and increased variety and quantities of export commodities, thus enriching the workers' lives.

By using manpower reasonably, they built a number of cooperatives and home work teams to produce export commodities; they produced various good-quality commodities, including straw products, which are in high demand in international markets. In this way they increased export.

By carrying out trade activities in various forms and methods, each province, city, and county diversified local trade and broadened external markets.

Trade functionaries in Yanggang Province, North Hamgyong Province, North Pyongan Province, and Nampo City carried out on a large scale border trade [pyongang muyok], processing trade, and joint ventures and collaboration, and thereby increased the export amount each year. They also made local trade prove its worth by operating local industry plants in an excellent manner.

KCNA Reviews 18 Dec Pyongyang Press

SK1812051291 Pyongyang KCNA in English 0406 GMT 18 Dec 91

[Press review]

[Text] Pyongyang December 18 (KCNA)—Papers here today carry a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to President Ali Saibou on the occasion of the 33rd anniversary of the proclamation of the Republic of Niger.

Printed in the press is a congratulatory message sent by the Central Committee [C.C.] of the Workers' Party of Korea [WPK] to the agricultural officials and working people in Sukchon County, South Pyongan Province, on the occasion of the 30th anniversary of the foundation of a new agricultural guiding system by the great leader President Kim Il-song.

Papers carry accounts of a national meeting marking this anniversary and the report made by secretary of the Central Committee of the WPK So Kwan-hui at the meeting.

NODONG SINMUN informs the readers that Pakistani papers carried the dear leader Comrade Kim Chong-il's work "Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader".

Appearing in the paper is a message of greetings sent by the Central Committee of the WPK to the 14th congress of the Communist Party of Greece.

Thanks of the Central Committee of the Workers' Party of Korea was conveyed to the family of an official of the party committee of the Academy of Sciences, who decided to take an active part in the building of the socialist countryside, says the press.

NODONG SINMUN reports that the book "Great Creation" was brought out by the publishing house of the Workers' Party of Korea. It tells in the form of reminiscences about the revolutionary activities of President Kim Il-song and Comrade Kim Chong-il in creating the Taean work system and leading the socialist economy in our country to a new upsurge.

An article of the daily deals with the wise guidance given by Comrade Kim Chong-il for the development of Korean machine tool industry.

The paper highlights news of the powerful progress of the first- stage project of the West Sea barrage-Unyul-Kwail waterway.

Given in papers are reports that Stephen Solarz, chairman of the subcommittee on Asian and Pacific Affairs of the Foreign Affairs Committee of the U.S. House of Representatives, and his entourage arrived in Pyongyang and that Korean seamen who were rescued by a Japanese fishing boat while drifting with a mishap came back home.

Choe Hui-chang, a young seaman of the Chogwang shipping company of South Korea who came over to the northern half of the country, was interviewed by home and foreign reporters, say dailies.

Dailies carry an answer given by a spokesman of the DPRK Foreign Ministry to a question put by a KCNA reporter on distorted reports about the withdrawal of U.S. nuclear weapons from South Korea.

In a commentary regarding the question dailies demand that the United States, as the owner of the nuclear weapons in South Korea, should convince us by its practical action of withdrawing them.

Remaining in the limelight of dailies is reaction at home and abroad to "agreement on reconciliation, nonaggression, cooperation and exchange between the North and the South" adopted at the fifth inter-Korean high-level talks.

With regard to the agreement NODONG SINMUN carries an article describing it as a victory of the peace policy over the war policy and MINJU CHOSON as a fruition of the consistent efforts of the Workers' Party and the Government of the DPRK.

The press informs the readers of the visit of the Chinese premier to India.

NODONG SINMUN in its international news column reports that Comrade Fidel Castro declared that Cuba was convinced of the validity of her cause, the general secretary of the C.C., the South African Communist Party and the Communist Party of Argentina declared that they are firmly determined to uphold the idea of socialism, the Syrian vice-president demanded the withdrawal of the Israeli troops from the occupied Arab territory and the Romanian paper ADEVARUL laid bare contradictions among capitalist countries.

The paper deals with achievements of Iran, India, Egypt, Malaysia, Bangladesh, Thailand and Nigeria in the building of a new life.

Dailies dedicate articles to the 33rd anniversary of the proclamation of the Republic of Niger.

South Korea

No Tae-u Announcement on Nuclear-Free ROK

SK1812115191 Seoul KBS-1 Television Network in Korean 1000 GMT 18 Dec 91

[Announcement by ROK President No Tae-u from Chongwadae, Seoul—live]

[Text] My fellow Koreans,

Last week, South and North Korea agreed on a detailed accord in an effort to end the half-century old cold war on the Korean peninsula and to open a new era of peace.

The accord, which was signed at the conclusion of the fifth South-North high-level talks, consists of important measures that are necessary to end national division and rivalry on the basis of mutual trust, to build a structure of peace on our land, and to promote national reconciliation and common prosperity through exchanges and cooperation.

The Republic of Korea has pursued this accord, for we believe that the development of an inter-Korean relationship based on peaceful coexistence and common prosperity is an essential step towards the goal of national unification.

Together with the parallel entry of South and North Korea into the United Nations in September, the signing of the South-North Korea accord last week is an epic milepost on our road to the resolution of the Korean question and the attainment of national unity.

South and North Korea should now march together toward peace and unification.

The tasks and courses of action which lie ahead of the two Koreas are clear.

It is now incumbent on the two Korean Governments to implement faithfully the contents of the accord step by step so that national reconciliation, peace, and common prosperity, which are aspirations shared by all Koreans, may soon be realized.

The Republic of Korea pledges to do its utmost in transforming the relationship with the North from one of rivalry to partnership, exchanges, and cooperation. In addition, we will seek a speedy resolution of political and military issues between South and North Korea.

The cold war brought upon our nation untold sorrows and tragedies. The sacrifices and tribulations this nation suffered from division, war, and rivalry have been truly enormous and unbearable.

Now, the two Koreas have produced a charter of peace that will end the dark period in their history and bring forth a new era of reconciliation and cooperation. I firmly believe that this charter will mark a momentous turning-point on the road to building a new nation in which 70 million Koreans together shall forge a glorious future.

Fellow Koreans,

Before we proceed with the implementation of the widely supported inter-Korean accord, however, there is an important issue that must be resolved at the earliest possible date. It is the nuclear issue on the Korean peninsula.

On 8 November, I enunciated the non-nuclear Korean peninsula peace initiative, noting that the development of nuclear weapons by North Korea was an extremely dangerous venture which posed serious threats not only to the peace and survival of the Korean people, but also to regional and global stability.

It was for these reasons that I made a public pledge specifically declaring that South Korea would not manufacture, possess, store, deploy, or use nuclear weapons, and that we would also renounce the right to build nuclear reprocessing facilities, which could very well have been justified on grounds of economic necessity.

In order to remove any obstacles to nuclear inspections of North Korea, the government, in consultation with the U.S. Government, proposed during the recent high-level talks to conduct simultaneous nuclear inspections of facilities in the South, including the U.S. military bases in South Korea.

To submit military bases of a nuclear superpower to international inspection is a truly exceptional precedent, but we have reached this decision for the sole purpose of a peaceful and smooth resolution of the Korean peninsula nuclear issue.

It is gratifying to note that last week at the high-level talks South and North Korea jointly recognized that there should be no nuclear weapons on the Korean peninsula. On this common ground, I sincerely hope that a definitive agreement on nuclear issues will emerge from the Panmunjom working-level conference later this month.

So that we may come to an early resolution of the nuclear issue, I take this opportunity to make one thing emphatically and unequivocally clear to you, my fellow Koreans, as well as to North Korea and the world at large:

As I speak, there do not exist any nuclear weapons whatsoever, anywhere in the Republic of Korea.

Clearly, then, the non-nuclear policy enunciated in my 8 November declaration has now been fulfilled insofar as the Republic of Korea is concerned.

My fellow Koreans,

I would like to emphasize the following to the North Korean authorities:

Since the Republic of Korea is now completely nuclear-free and since we have agreed to the simultaneous nuclear inspections proposal, there is no reason or excuse for North Korea to develop nuclear weapons or refuse nuclear inspection.

North Korea must forthwith conclude and ratify a nuclear safeguards agreement with the International Atomic Energy Agency, shut down all nuclear reprocessing and enrichment facilities, and submit unconditionally to international inspection.

It is now North Korea's responsibility to demonstrate to the Korean people and the world that a genuine peace is indeed emerging on the Korean peninsula, by resolving the nuclear issue on the basis of the letter and spirit of the South-North accord at an early date.

Obviously, we cannot successfully build peace and national reconciliation without first resolving the nuclear question. For this reason, the entire international community is currently searching for ways to deter North Korea's development of nuclear weapons, having recognized it to be a significant threat to the peace of this region and potentially a grave danger in fueling the proliferation of nuclear weapons globally.

I believe that the North Korean authorities are well aware of the central issues. I would expect that North Korea will bring to the forthcoming Panmunjom conference measures that will satisfy the legitimate demands of the Korean people and the international community.

[Seoul YONHAP in English at 0906 GMT on 18 December, in its transmission of the "English-language text" of No's announcement, here adds the following paragraph]:

North Korea must immediately abandon the development of nuclear weapons. It is an imperative duty that cannot and should not be delayed.

I sincerely hope that an agreement guaranteeing a nuclear-free Korean peninsula will emerge by the end of this month so that with the new year the two Koreas will usher in a new era of reconciliation, cooperation, peace and common prosperity.

Thank you.

Political Parties Welcome No Tae-u Speech

SK1812124991 Seoul YONHAP in English 1236 GMT 18 Dec 91

[Text] Seoul, Dec. 18 (YONHAP)—The ruling and opposition parties have welcomed President No Tae-u's special statement Wednesday on absence of nuclear weapons in South Korea and in unison called on North Korea to make commensurate efforts aimed at a non-nuclear Korean peninsula.

Spokesman Pak Hui-tae of the ruling Democratic Liberal Party said in a statement, "We take the declaration as a cornerstone for the settlement of peace in Northeast Asia and reunification of South and North Korea." He said that North Korea should on its part make commensurate measures to eradicate nuclear weapons such as acceptance of nuclear inspection and abolition of nuclear reprocessing facilities."

Pak U-sop, deputy spokesman for the opposition Democratic Party, issued a statement in which he said, "We rejoice over the speech together with 70 million compatriots. North Korea should unconditionally accept nuclear inspection and renounce nuclear arms development program."

No Tae-u Sees Possible Early S-N Summit Talks

SK1812135591 Seoul KBS-1 Radio Network in Korean 1200 GMT 18 Dec 91

[Text] On 18 December President No Tae-u said that the South- North summit talks may take place earlier than expected. After announcing at Chongwadae that there are no nuclear weapons in our country, President No Tae-u visited the central press room, Chunchugwan, and met with reporters. He said that since the basic framework of South-North relations has been settled, it is logical and natural to hold South-North summit talks earlier. President No Tae-u also said that there were no discussions on where the summit talks would take place but that he will not be picky about the location of the summit talks.

President No Tae-u said that since South-North summit talks are indeed the way to achieve reconciliation and cooperation and restore the nation's homogeneity; the most effective and efficient way to achieve reunification; and a shortcut in determining the nation's future, the leaders of the South and North, who hold the decisive power, must meet and make a promise to the fellow countrymen of the South and North and to the world, which is the only way to have faith in each other. Therefore, he stressed the need to hold summit talks.

President No Tae-u said that in some circles at home there are those who say that the government is promoting South-North summit talks to achieve some kind of political purpose. He said that this is a pity and the figures who are making this kind of remark have insidious purposes.

President No Tae-u added that all issues, including the South- North relations and establishment of diplomatic relations with China, will by no means be carried out in haste but will be dealt with calmly and prudently.

North Counterproposes 26 Dec for Nuclear Talks

SK1812085591 Seoul YONHAP in English 0835 GMT 18 Dec 91

[Text] Seoul, Dec. 18 (YONHAP)—North Korea counterproposed to South Korea Wednesday that they hold an inter-Korean contact to discuss nuclear problems in Panmunjom on Dec. 26 instead of Dec. 23.

Northern Prime Minister Yon Hyong-muk made the proposal in a return telephone message to southern Prime Minister Chong Won-sik. Chong originally proposed to start the meeting on Dec. 23 in his message on Tuesday.

Yon said the North would send two delegates to talks, three nuclear experts and two or three observers as agreed.

There was no need for a meeting of senior liaison officers as procedural matters concerning the contact could follow past practice, he said.

South Korea suggested a liaison officers' contact Thursday to prepare for the meeting.

ROK Accepts 26 Dec Date

SK1812121591 Seoul YONHAP in English 1203 GMT 18 Dec 91

[Text] Seoul, Dec. 18 (YONHAP)—The first ever inter-Korean working-level conference on nuclear issues will be held on Dec. 26 at the North Korean section of Panmunjom on Dec. 26 [as received] as counterproposed by North Korea Wednesday.

The Board of National Unification announced that the government decided to accept North Korean Prime Minister Yon Hyong-muk's counterproposal for having the meeting on Dec. 26.

Yon had sent a telephone message earlier on Wednesday to his South Korean counterpart, Chong Won-sik, answering his message delivered on the previous day. Chong originally proposed Dec. 23 as the date of the meeting.

Each side will be represented by a five-man delegation in the conference, of which holding was agreed on at the fifth prime ministers talks in Seoul last week.

Seoul May Halt Exports to Soviet Union

SK1812083791 Seoul YONHAP in English 0720 GMT 18 Dec 91

[Text] Seoul, Dec. 18 (YONHAP)—Seoul will halt tied-loan exports to Moscow until complementary repayment guarantees are made by individual republics if the break-up of the Soviet Union is confirmed by the Korean embassy.

The government, in reponse to a report that Soviet President Mikhail Gorbachev and Russian President Boris Yeltsin have agreed to dismantle the Soviet Union, had decided to withhold exports until additional steps were taken, official sources said Wednesday.

Seoul had agreed to sell consumer goods and materials worth 800 million dollars this year, to be paid for with tied loans.

It was decided Dec. 11 that Korea would go ahead with this year's portion of tied loans but seek additional complementary measures to ensure repayment.

As of Wednesday, 153 million dollars of 18 items had been sent to the Soviet Union and 82 letters of credit worth 402 million dollars had arrived.

The two countries have completed negotiations on 41 export items worth 778 million dollars, and signed contracts for 35 worth 609 million dollars.

The Export and Import Bank of Korea has released 34 loans to the exporters involved of 103 million dollars.

Government Protests to PRC Over Incursions

SK1812054891 Seoul YONHAP in English 0500 GMT 18 Dec 91

[Text] Seoul, Nov. 18 (OANA-YONHAP)—South Korea has lodged a protest with China over the violation of its territorial waters by Chinese fishing vessels and demanded that China withdraw the ships immediately from the sea off Cheju Island, the Foreign Ministry said Wednesday.

A Ministry spokesman said the protest was made through Korea's representative office in Beijing. There are no diplomatic ties between the two countries.

Some 200 Chinese dragnet-boats have illegally fished in waters near Cheju and a nearby marine resources preservation zone since Dec. 14 despite Korean Navy and marine police requests to leave.

It is the first time so many Chinese vessels have gathered in clusters for poaching, although dozens are spotted there in mid- December every year.

Some PRC Boats Leave

SK1812083591 Seoul YONHAP in English 0657 GMT 18 Dec 91

[Text] Cheju, South Korea, Dec. 18 (OANA-YONHAP)—Some of the 200 Chinese fishing boats encroaching on Korean territorial waters for four days had sailed for the open sea, the Cheju maritime police said Wednesday.

A police spokesman said that about 50 vessels, engaged in illegal fishing off Cheju island, began moving toward the open sea late Tuesday after the maritime police ordered them to leave Korean waters.

But 150 boats are currently sheltering at Whasoon port, southern Cheju, as the weather deteriorated, according to the spokesman.

Police will ask the sheltering Chinese vessels to leave as soon as the weather improves, the spokesman said.

Trade, Investment Talks With PRC Begin

SK1812035891 Seoul YONHAP in English 0326 GMT 18 Dec 91

[Text] Seoul, Dec. 18 (OANA-YONHAP)—South Korea and China began three days of talks here Wednesday on concluding trade and investment guarantee pacts.

They would probably initial a trade agreement during the talks but leave an investment guarantee pact for later negotiations, Foreign Ministry officials said.

The trade agreement would remove discriminatory taxes of 5 to 30 percent on Korean products, increasing exports to China about 15 percent, according to the officials.

Korea recorded exports to China of 1.64 billion U.S. dollars in January-September this year compared to 2.45 billion dollars of imports.

Xie Jianqun, vice chairman of the China Chamber of International Commerce (CCOIC), arrived Tuesday evening with a 15-member delegation for the talks. His counterpart is Kim Suk-u, director-general of the ministry's Asian Affairs Bureau.

After an overall discussion on trade issues, the negotiators will divide into sub-groups on trade and investment guarantee agreements to prepare drafts.

Seoul and Beijing lack diplomatic relations, and the trade representatives in each other's country are likely to officially sign the trade agreement with the government providing the necessary guarantees in fulfilling the terms.

The Seoul meeting is the second, following the first in Beijing in August.

Report Urges New Trade Policy for Eastern Europe

SK1812083491 Seoul YONHAP in English 0610 GMT 18 Dec 91

[Text] Seoul, Dec. 18 (YONHAP)—South Korean traders competing in Eastern Europe need new strategies as Czecholovakia, Hungary and Poland joined the European Community on Monday, a trade report said Wednesday.

The Eastern European countries obtained confirmation Monday of their status as associate members and the benefits this brings are expected to take shape next year, the Korea Trade Promotion Corp. said in a report.

The report called for Korean traders and corporations to boost investment in the region, increase the production capacity of their EC plants and beef up their marketing operations in Eastern Europe.

The EC plants produce color television sets, videocassette recorders, videotape, refrigerators, audio components and other electronic products.

As associate members, the three are expected to lower tariffs and ease quotas on goods from EC-member nations. This is expected to have an adverse effect on principal Korean exports to the area such as automobiles, electronic products, communication equipment and tires, the report said.

More North 'Secret Nuclear Facilities' Reported

SK1812022491 Seoul YONHAP in English 0142 GMT 18 Dec 91

[Text] Moscow, Dec. 17 (YONHAP)—North Korea appears to be building secret nuclear facilities in addition to a plant capable of producing 15 kilograms of plutonium a year at Yongbyon, the Soviet weekly NOVOYE VREMYA reported in its latest issue.

Quoting the latest information, the weekly said factories capable of producing plutonium are being constructed in Pakchon and other secret sites in North Korea.

North Korea began its nuclear program in the 1960s and set up a special department and a nuclear laboratory at Pyongyang University to train nuclear experts with the help of Soviet scientists and technicians, according to the magazine.

In the 1980s, Pyongyang's nuclear project began to take on a military face, NOVOYE VREMYA said.

Even if Pyongyang allows inspection of its nuclear program by the International Atomic Energy Agency [IAEA], IAEA inspectors will not see important facilities because they are at secret underground sites located in inaccessible mountain regions, the weekly said.

North Korea faces the judgment of its 45-year dictatorship and the regime will do anything to stay afloat while power is transferred from President Kim Il-song to his son, Kim Chong-il, it said.

Japan Urges North To Accept Safeguards Accord

SK1712091991 Seoul YONHAP in English 0637 GMT 17 Dec 91

[Text] Seoul, Dec. 17 (YONHAP)—South Korea and Japan agree that last week's inter-Korean agreement was "epochal" but note with reserve that North Korea must take specific steps to put it into practice, Foreign Ministry officials said Tuesday.

Vice Foreign Minister Yu Chong-ha and Noboru Nakahira, Japan's chief delegate to the Tokyo-Pyongyang diplomatic talks, met in the morning and discussed the results of last week's fifth inter-Korean prime ministers' talks.

The agreement on reconciliation, non-aggression, exchanges and cooperation was "epochal," Yu said, according to the officials.

It was too early to say there was meaningful progress between the two sides until North Korea's commitment to abide by the agreement was shown in its actions, he told Nakahira. This remark was apparently a reminder for Japan to exercise prudence in improving relations with North Korea before there are concrete results in inter-Korean ties.

Nakahira agreed that results were more important than the pact and said Japan would make this clear at next month's diplomatic talks with North Korea in Beijing, the Ministry officials said.

Japan, like South Korea, could not be satisfied by the signing of a nuclear safeguards accord with the International Atomic Energy Agency (IAEA), Nakahira said. North Korea must sign and ratify the safeguards accord and then accept outside inspection.

Economic Crisis in North Reported

SK1812123091 Seoul YONHAP in English 1131 GMT 18 Dec 91

[Text] Seoul, Dec. 18 (YONHAP)—North Korea is in economic crisis stemming from shortage of food, raw materials, fuel and electricity, and accumulation of foreign debts and lack of hard currency, the Korea Development Institute [KDI] said Wednesday.

In a report on North Korean economy during 1989-90, the KDI predicted that an early resolution of such economic problems was deemed impossible and said the social tension resulting from food shortage was casting a dark shadow over over-all recovery.

The report was based on materials provided by the Institute of International Economics and Political Research under the Soviet Academy of Social Sciences, the KDI said.

As investment was focused on quantitative expansion of manufacturing capability in North Korea, the report said, modernization of facilities far lagged behind that of other countries and almost all industrial sectors were plagued by outdated techniques.

The gross output value of social product (GVSP), a North Korean concept equivalent to other countries' gross national product, shrank 5.7 percent to 19.5 billion won in 1989 from 20.6 billion won in 1988 and the 1990 level was similar to that of the previous year, the report said.

The net material product (NMP) dropped 4.3 percent from 18.7 billion won in 1988 to 17.9 billion won in 1989, and gained a meager 0.6 percent to 18 billion won in 1990.

The report said North Korea was also suffering from debts totaling 2.73 billion U.S. dollars as of January, including 1.94 billion dollars from the Soviet Union (1.52 billion dollars) and other socialist countries.

The gross industrial product dwindled 10 percent in 1989 and 0.5 percent in 1990. The gross agricultural product increased 1 percent to 4.4 billion won in 1989, but decreased to 4.35 billion won in 1990, the report said.

Trade Ministry Lists Items for Direct N-S Trade

SK1812013091 Seoul YONHAP in English 0106 GMT 18 Dec 91

[Text] Seoul, Dec. 18 (YONHAP)—The Trade and Industry Ministry, in preparation for increased direct inter-Korean trade, has compiled a list of items it will encourage to be traded because they complement the industrial structures of both sides.

The 117 South Korean goods include tangerines, automobiles, electric wire, electric home appliances, watches, batteries, steel pipes, textiles, chemicals, footwear, chewing gum and medicines.

Among the 57 items from the North are mushrooms, Alaskan pollack, herbal medicines, raw silk, logs, cement, coal, zinc nuggets, gold, silver, nickel, aluminium and construction materials, according to the Ministry Wednesday.

Products listed for joint ventures include garments, fabrics, leather, footwear, automobiles and autoparts, medicines, soap, agricultural machinery and toothpaste.

The Ministry will prepare a comprehensive plan by the weekend to expedite exchanges and joint-venture investment in preparation for active inter-Korean trade.

Military Leaders Discuss New Defense Policy

SK1812065791 Seoul YONHAP in English 0551 GMT 18 Dec 91

[Text] Seoul, Dec. 18 (YONHAP)—South Korean military leaders held a meeting Wednesday to discuss a new defense policy and strategy in the wake of a rapprochement between South and North Korea.

The meeting, chaired by Defense Minister Yi Chong-ku, was attended by newly appointed chairman of the joint chief of staff, Gen. Yi Pil-sop, army chief of staff, Gen. Kim Chin-yong, chief of naval operations, Adm. Kim Chol-u and air force chief of staff, Gen. Han Chu-sok, major commanders of the three services and chiefs of Defense Ministry organizations.

The minister said the recent inter-Korean agreement on reconciliation, nonaggression, exchanges and cooperation could bring positive changes to the Korean peninsula.

But the nation's security situation has become more fluid because of the instable power balance in Northeast Asia among the United States, Japan, the Soviet Union and China and because of North Korea's nuclear development program, Yi said.

He instructed the officers to strengthen their preparedness and vigilance as the national security is going to be strongly challenged in 1992 when the nation is scheduled to hold four big elections and face other developments.

Steps To Rectify Trade Imbalance Announced

SK1712032091 Seoul THE KOREA HERALD in English 17 Dec 91 p 6

[Text] Korea's trade deficit, which hit a record $10 billion this year, will likely increase in 1992, the government said yesterday.

Exports were projected to total $81.2 billion, up 13 percent from 1991, against the estimated import growth of 12 percent to $91.6 billion, creating a yearly trade loss of $10.4 billion on a customs clearance basis.

To bolster exports, the government will expand its export loans, now limited to firms with annual export volume of $50 million worth or less, to include those which export up to $100 million worth per year. It also will increase the total trade bill discount volume from the present 1 trillion won (about $1.3 billion) to 3 trillion won, while excluding them from its overall credit limit extendable to each business group or firm.

To help businesses strengthen manufacturing competitiveness, it will jack up policy loans for financing automation and computerization projects up from 650 billion won to 1 trillion won, while expanding those for purchase of locally-produced machinery by 18.4 percent to 4.5 trillion won.

The Bank of Korea's commercial bill rediscount ratio, which is set at a preferentially high 70 percent for those issued by small- to medium-sized firms, will be applied beyond the original deadline set for the end of 1991 to next March.

The government's export inspection system will be phased out by the end of 1993, and export regulative items will be sharply reduced, to cut export-related red tape.

The Korea Development Bank's technology development loans, now set to finance up to 60 percent of required costs for large firms and 80 percent for smaller companies, will also be leveled up to 80 percent and 100 percent, respectively.

A total of 174.8 billion won will be poured into development of 762 manufacturing technologies, including 224 to start next year.

The government will shorten the asset depreciation period for projects using localized technology, and lower tariff rates on imports of key parts and components which cannot be readily localized.

Major large business groups will be urged to donate 100 billion to engineering colleges between 1992 and 1994 to foster the growth of high-tech manpower.

The foreign currency loans for imports will be reduced from $6 billion this year to $3-$4 billion.

The government is considering revising the present pricing system of industrial oil and introducing special consumption tax on gasoline.

These and other measures aimed at boosting exports and sharpening industrial competitiveness were reported to President No Tae-u by Deputy Prime Minister Choe Kak-kyu at a Chongwadae meeting, attended by government and business officials.

Also included in the government's industrial policy package for 1992 were:

—The creation of a 100 billion-won overseas market development fund to support export and market development for original brands.

—Relaxation of rules restricting the issuance of overseas securities to once a year for such promising businesses as semiconductor and automobile makers.

—The establishment of an export insurance corporation and expansion of the export insurance fund from 60 billion won to 100 billion won.

—The construction of manufacturing plants to accommodate 300 firms in eight regions to help ease the land shortage of smaller firms.

Imports of OPEC Oil Increase

SK1712025691 Seoul YONHAP in English 0216 GMT 17 Dec 91

[Text] Seoul, Dec. 17 (YONHAP)—South Korea purchased 209.54 million barrels of its crude oil, or 72.4

percent of the total it imported, from members of the Organization of Petroleum Exporting Countries (OPEC) during the first nine months of this year, the Korea Petroleum Association (KPA) said Tuesday.

OPEC crude amounted to 133.73 million barrels, or 60 percent of the oil imported, during the same period last year. Korea, which has no oil of its own, imported 289.24 million barrels in January- September this year, the association said.

Imports from OPEC are up 56.7 percent this year over last, overshadowing the 29.7-percent rise in total oil imports.

Imports from Saudi Arabia soared from 16.22 million barrels last year to 98.66 million barrels, while not one drop came from Iraq or Kuwait, pushing dependency on Saudi oil up from 7.3 percent last year to 34.1 percent this year.

The association said the increase in Saudi oil imports resulted from the suspension of purchases from Iraq and Kuwait. In 1989, Iraq supplied 4.7 percent of Korea's crude oil and Kuwait 7.7 percent.

The growth of the Saudi share was also attributable to the increase of imports propelled by a long-term contract between Korea's Ssangyong Oil Refining Co. and Aramco of Saudi Arabia.

Imports from the Middle East expanded continuously from 64.32 percent in 1988 to 71.46 percent in 1989, 74.27 percent in 1990 and 74.48 percent in January-September, KPA said.

Burma

Senior Generals 'Severely Criticized' by Ne Win

BK1812100691 Hong Kong AFP in English 0943 GMT 18 Dec 91

[By Erskine McCullough]

[Text] Bangkok, Dec 18 (AFP)—Senior generals in the Burmese junta have been severely criticized in an explosive meeting with reclusive strongman Ne Win, an official of the country's parallel dissident government said on Wednesday.

The 80-year-old Ne Win, who officially gave up all vestige of power three years ago but is still believed to secretly rule the country, is reported to have severely criticised members of the State Law and Order Restoration Council (SLORC) for turning the people against them.

A spokesman for the National Coalition Government of the Union of Burma (NCGUB), formed by pro-democracy supporters on the Thai-Burma border late last year, said Ne Win ordered the early morning meeting of junta officials, including vice-chairman General Than Shwe, at his heavily guarded house in Rangoon last week following student demonstrations.

During a two hour tirade he swore at the SLORC executive members and complained bitterly that after three years in power the people hate the junta more than ever.

The NCGUB claim comes as political observers in Rangoon report a widenening rift in the ruling military, with some members wanting to quit but forced to stay on because of continuing unrest inside the country.

But they admit it is still unclear whether the division is serious enough to lead to purges and a softening of the hard line rule which has made the country an international pariah and brought continued internal unrest.

After a series of incoherent rambling speeches earlier this year, doubts were raised over the mental health of SLORC head General Saw Maung. Observers have noted a sharp decline in his health over the past year and his recent public appearances have been short.

"Whether he will be replaced or not is unsure at the moment but certainly there is widespread rumour over the state of his sanity," said one Rangoon resident contacted by phone.

Saw Maung is believed to be junta head in name only, with the real power held by military intelligence chief Khin Nyunt who, for the time being at least, is protected by Ne Win, his guide and mentor.

Former diplomats who have worked in Rangoon describe Ne Win as an eccentric given to savage outbursts of temper and totally ruthless in his desire to hold on to power.

Observers say the former postal clerk, who has retained power for almost 30 years, is worried over the the SLORC's ability to control dissidents and their lack of success in winning over the public.

The sudden outbreak of fighting in October between troops and pro-democracy insurgents in the country's normally calm delta region, only 50 kilometers (30 miles) from the capital, is believed to have caused serious alarm inside the junta.

Demonstrations last week in the capital by students over the continued detention of Nobel Peace Prize winner Aung San Suu Kyi further heightened the junta's misgivings over the handling of its current policy.

"Since the junta officially took over in 1988 things have gone from bad to worse and there is little doubt that Ne Win is concerned," said one analyst.

"However the problem with Burma is the secrecy with which it has surrounded itself. It makes it difficult to know the present apparent split will lead to a dramatic change or simply fizzle out," he added.

Burmese dissidents claim Ne Win has been highly critical of lack of communication between front-line officers and military intelligence.

But whether his criticsm will turn to action and lead to major changes in the near future remains in doubt.

"Change will no doubt happen. It is just a matter of time but how soon is anyone's guess," said one Bangkok based political analyst.

Japanese Deputy Minister Arrives in Rangoon

BK1712144691 Rangoon Radio Burma in Burmese 1330 GMT 17 Dec 91

[Text] Mr. Kunihiko Saito, deputy foreign minister of Japan who is currently visiting Yangon [Rangoon], met with Foreign Minister U Ohn Gyaw at 1830 at the People's Park Restaurant. Also present at the meeting were directors general and responsible officials from the Foreign Ministry and Mr. Tomoya Kawamura, Japanese ambassador to Myanmar [Burma].

After the meeting, Foreign Minister U Ohn Gyaw hosted a dinner in honor of the visiting deputy foreign minister at the People's Park Restaurant.

Mr. Kunihiko Saito arrived in Myanmar by air to visit Myanmar as the guest of Foreign Minister U Ohn Gyaw.

The deputy foreign minister of Japan was welcomed at the airport by U Ba Thwin, director general of the International Organizations and Economics Department of the Foreign Ministry; Thura U Aung Htet, director general of the Protocol Department; U Aye, deputy director general of the Political Affairs Department; responsible officials from the Foreign Ministry; Mr. Tomoya Kawamura, Japanese ambassador to Myanmar; and Japanese Embassy officials.

The deputy foreign minister of Japan is accompanied by Mr. Ichiro Mahuyama, Burma desk officer of the First Southeast Asian Department of the Japanese Foreign Ministry.

[Hong Kong AFP in English at 1035 GMT on 17 December carries a Bangkok-datelined report which says in part: A senior Japenese official left here on Tuesday for Rangoon where he was expected to urge Burma's ruling junta to hand over power to civilians, Japanese officials said.

Deputy Foreign Minister Kunihiko Saito's three-day visit to Rangoon follows last week's pro-democracy demonstrations at Rangoon University, which led to a shutdown of universities and colleges nationwide.

Saito did not meet reporters here on leaving for the Burmese capital, but officials in Tokyo said he was expected to urge Burma's military to abide by the results of last year's general elections in Burma.]

Brunei, Malaysia & Singapore

Malaysia

Mahathir Previews Upcoming Japan Visit

BK1712094291 Kuala Lumpur BERNAMA in English 0406 GMT 17 Dec 91

[Text] Kuala Lumpur, Dec 17 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed will leave for Japan on Wednesday where he will open the new building of the Malaysian Embassy in Tokyo.

He is also scheduled to visit cottage industries, and meet Japanese leaders including former Prime Minister Yasuhiro Nakasone.

He said, however, that he would not know if he would be able to meet Prime Minister Kiichi Miyazawa during the visit.

He told newsmen Monday he would explain the concept behind the East Asian Economic Caucus (EAEC) to Japanese leaders and businessmen should they want to know more about the matter.

"I will explain the concept if it is necessary... I do not want to force my views on anyone," he said.

The prime minister said it was unlikely that the EAEC would merge with the Asia Pacific Economic Cooperation (APEC) forum which had members such as the United States and Canada.

This was because the two countries were members of the North American Free Trade Area (NAFTA), he said when asked about reports calling for a merger of the EAEC and APEC.

Dr. Mahathir said he would explain to Japanese leaders and businessmen why the caucus could not merge with the APEC.

"The EAEC cannot accept the United States as a member... Just as the United States cannot be a member of the European Community," he said.

Views EC Economic Union, Cambodia

BK1712073091 Kuala Lumpur Voice of Malaysia in English 0600 GMT 17 Dec 91

[Text] Malaysia has expressed concern that the Economic Union formed by the European Community will become a powerful body to the extent it needs not have trade links with other nations.

Datuk Sri Dr. Mahathir says there is a possibility it may become a caucus Europe despite it's guarantee otherwise. In view of the many borders of countries within the union, there is a possibility that there are signs of obstacles , such as taxes will be imposed.

The prime minister was responding to questions from newsmen in Kuala Lumpur after the Royal Malaysia Police award presentation ceremony in conjunction with police day celebration.

Replying to questions, Datuk Sri Dr. Mahathir said Malaysia was prepared to provide assistance to Cambodia in the form of training under the Malaysian Technical Cooperation program. The government will also help that country rehabilitate its estates and economy.

He also said the possibility of ASEAN accepting new members and dialogue partners should be discussed by the ASEAN summit in Singapore next month.

The prime minister said Malaysia supports the proposal to accept Vietnam as a dialogue partner.

On his visit to Japan beginning tomorrow, he said among others, he will begin with looking at the state of cotttage industry.

He also said he is scheduled to meet Japanese leaders, including former prime minister Mr. Yasuhiro Nakasone.

Datuk Sri Dr. Mahathir said he will explain the concept behind the East Asian Economic Caucus, EAEC, to Japanease leaders and businessmen, should they want to know more about that matter.

The prime minister will also open the new building of the Malaysian embassy in Tokyo during the visit.

Minister on Ties With New Soviet Republics

BK1712093891 Kuala Lumpur BERNAMA in English 0745 GMT 17 Dec 91

[Text] Kuala Lumpur, Dec 17 (OANA-BERNAMA)—Malaysia may negotiate fresh trade and diplomatic ties with the newly-formed Slavic Commonwealth of Russia, Ukraine and Belarus as their breakaway from the Soviet Union appears to be imminent, Deputy Foreign Minister Dr. Abdullah Fadzil Che Wan said Tuesday.

"We will review our agreements (with the Soviet Union) once the breakaway is permanent, [no end quote as received] he told reporters after opening a lecture on "making global deals—negotiating internationally" here.

Dr. Abdullah said, however, relations with the Soviet Union would still remain for now "as President Mikhail Gorbachev is still in power".

Dr. Abdullah said Malaysia was closely monitoring the situation in the Soviet Union but he added that the issue of recognition of the new commonwealth did not arise yet.

The prime minister, Dr. Mahathir Mohamed, has said that Malaysia would have links with the three Soviet republics.

Earlier, in his speech, Dr. Abdullah said Malaysia should adopt a new approach in dealing with other countries in international forums, especially in the United Nations.

"Time and things have changed. We cannot allow ourselves to be amateurs in this field and be left behind," he added.

He said a core of professional negotiatiors should be created to meet the challenges in any international forum.

Malta Called Base To Penetrate European Market

BK1812035691 Kuala Lumpur BERNAMA in English 0323 GMT 18 Dec 91

[Text] Valletta, Dec 18 (OANA-BERNAMA)—Deputy Prime Minister Ghafar Baba feels Malta could serve as a base for Malaysia to expand its trade with Europe.

This was because the island nation in the Mediterranean Sea had applied to join the European Community, he said.

"Its strategic position between Asia and Europe can help us expand our trade with countries in this part of the world," he told Malaysian journalists accompanying him on his visit here Tuesday.

Ghafar, who met the Maltese prime minister, Dr. Eddie Fenech-Adami, said they discussed bilateral relations, trade and international politics.

Malta had requested that Malaysia Airlines make the island one of its destinations or a stopover point to promote co-operation in tourism between the two countries, he added.

Ghafar extended an invitation to his Maltese counterpart, Professor Guido De Marco, to visit Malaysia. Dr. Fenech-Adami visited the country previously.

Government Explains Boat People Transfer to City

BK1812052691 Kuala Lumpur BERNAMA in English 0420 GMT 18 Dec 91

[Text] Kuala Lumpur, Dec 18 (OANA-BERNAMA)—The Malaysian Government Wednesday explained that the Vietnamese boat people were moved from Pulau Bidong to the city rather than another place because of logistics, management and security factors.

Deputy Home Minister Megat Junid Megat Ayob told the Dewan Negara (Upper House of Parliament) that it was not practical and involved a high cost if they were to be moved to some other place.

He said Kuala Lumpur was chosen because it had the facilities of a refugee camp and could provide health and educational needs.

The government only needed to build an accomodation block, he said.

The city also had a satisfactory management network and international agencies dealing with the boat people problem, such as the United Nations High Commissioner for Refugees (UNHCR), were based here, he added.

Megat Junid also said security forces could easily be summoned should an incident break out in the refugee camp.

Singapore

First Trade Mission Leaves for SRV 17 Dec

BK1812093791 Singapore THE STRAITS TIMES in English 17 Dec 91 p 40

[Text] Singapore first business mission to Vietnam starts today, a month after the Singapore Government lifted its ban on investments there by local companies.

The five-day mission, comprising top executives from 12 local companies, is led by Mr. Alan Yeo, the chairman of the Trade Development Board (TDB), which is organising the visit.

The mission members, who represent a broad spectrum of activities from banking and trading to oil refining and sport products, will visit Hanoi and Ho Chi Minh City.

The businessmen come from 10 listed companies and two private firms.

Of the public companies, four are from the United Overseas Bank [UOB] Group—Haw Par Brothers International, UOB, United Overseas Land, and Plaza Hotel.

The others are Hwa Hong Edible Oil Industries, intraco, Keppel Bank, LKN [Lim Kan Ngam] construction, United Engineers, and Singapore Petroleum Company (SPC)

The only two non-listed companies in the mission are Thakral brothers and Thai Hin Long Trading.

Also in the mission is the Construction Industry Development Board's manager for international affairs, Mr. Tan Wee Teck, who will be exploring construction opportunities in Vietnam for Singapore contractors.

A TDB official said that except for Intraco, none of the companies had previous business dealings with Vietnam.

The board said in a statement that the companies were especially interested in the following areas: petroleum and related products, agricultural produce, marine industry, food processing, banking and commerce, and general trading.

Intraco, a diversified trading group, used to trade with Vietnam several years ago.

This time, it will contact two Vietmamese trading firms, Imexco and Gemcofou. Intraco's new chief executive officer, Mr. Bernard Chen, is in the mission.

SPC will meet Petechim and Petrovietnam to offer processing capacity for Bach Ho crude oil in Singapore and other technical services for the petroleum industry.

Both Keppel Bank and UOB want to meet officials from Vietnam Bank and central bank officials to offer banking and financial services.

In Hanoi, the mission will call on Vietnamese Minister of Trade and Tourism Le Van Triet, and meet officials from the Ministry of Transport, Communications and Post, Ministry of Agriculture and Food Industry, Hanoi City People's Committee, and Council of Ministers.

In Ho Chi Minh City, the mission members will meet the chairman of the People's Committee of Ho Chi Minh City, the Vietnamese Chamber of Commerce and other major Vietnamese commercial organisations.

Singapore's trade with Vietnam has been expanding steadily. In the 1980s, trade grew by an annual rate of over 20 per cent. Last year, bilateral trade broke the $1-billion mark, with "further expansion expected in the future", said the TDB.

The main products traded include industrial products, transport equipment, commodities and consumer products.

Cambodia

Sihanouk Urges Full Implementation of Paris Pact

BK1812032591 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 17 Dec 91

[Article by station: "The Cambodian Nation and People Demand That the Paris Accord Be Fully Implemented To Allow Cambodia To Recover Genuine Peace and Independence"]

[Text] The entire Cambodian people and peace- and justice-loving countries all over the world are very pleased with the conclusion of the Paris accord to settle the Vietnamese war of aggression against Cambodia. All want the effective and full implementation of the accord so that genuine peace and independence are restored to Cambodia without fail.

At a meeting with the Chinese ambassador to the Supreme National Council [SNC] of Cambodia in Phnom Penh on 12 December, Samdech Norodom Sihanouk, head of state and chairman of the SNC, said he wanted all to implement the Paris accord fully and effectively.

Only with the effective and full implementation of the accord in compliance with the samdech's statement can the Vietnamese war of aggression against Cambodia be brought to an end and national reconciliation, compromise, and unification within the framework of a great national union around the samdech-chaired SNC be achieved. And if Cambodia is perfectly peaceful, independent, and unified, the people will certainly be able to reunite with their families and earn a living with tranquillity. Therefore, it is necessary that all, including the Cambodians and the country signatories of the Paris accord, effectively and fully implement the accord to allow Cambodia to recover genuine peace and independence.

Treaty To Be 'Strictly' Honored

BK1712044891 Phnom Penh SPK in English 0213 GMT 17 Dec 91

[Text] Phnom Penh SPK December 16—Prime Minister Hun Sen received in Phnom Penh on Dec. 13 Mr. Gerald Fonjallaz, special envoy of Switzerland to the Supreme National Council [SNC] of Cambodia.

"War has ravaged the country for two decades and, now it's for national reconciliation so as to bring peace and prosperity to the people," Hun Sen told his Swiss guest.

He said that: "The State of Cambodia strictly honours the Paris peace treaty in order to achieve a real peace in Cambodia".

Hun Sen, who is also member of the SNC, suggested his guest and the world community to assist Cambodia in agriculture, communication, electricity and healthcare development and food production.

1,034 Prisoners Released Since Signing

BK1512120791 Phnom Penh SPK in English 1100 GMT 15 Dec 91

[Text] Phnom Penh SPK December 15—Deputy Minister of Interior Nuon Saret said Cambodia had released 1,034 prisoners since the peace treaty signed in Paris on October 23.

In a meeting with the secretary general of Amnesty International, Mr. Roger Clark, Nuon Saret said of the sums there were 1,260 political prisoners.

The deputy minister said Cambodia had dismantled two re-education centers "T6" and "T7" and detainees had also been released.

The delegation of the London-based organization arrived in Phnom Penh on December 8 for talks with Cambodian officials on political prisoners and human rights in the country.

The delegation has in cooperation with the International Red Cross inspected a number of detaining centers, including the "Prey Sar" re-education centre in the suburb of Phnom Penh.

Sihanouk Chairs SNC Secretariat Meeting 17 Dec

BK1812051291 Phnom Penh SPK in English 0433 GMT 18 Dec 91

[Quotation marks as received]

[Text] Phnom Penh SPK December 18—The secretariat of Cambodia's Supreme National Council (SNC) met in Phnom Penh Tuesday [17 December] for the first time, following the return here of the Khmer Rouge representative.

The meeting signaled that Cambodia's peace process was back on track after nearly being derailed by a November 27 mob attack on Khmer Rouge Leader Khieu Samphan.

SNC President Prince Norodom Sihanouk, who convened the six-member secretariat at the royal palace, said Khieu Samphan and Khmer Rouge military Chief Son Sen would arrive "in a few days" so that the full SNC could meet.

"Please pardon me, I must keep secret the exact date or I would be responsible for any incident," the prince told reporters.

Mak Ben, the Khmer Rouge representative on the secretariat, flew in from Bangkok with seven other Khmer Rouge officials and bodyguards.

The apparent head of the delegation was Chan Youran, ambassador to key ally China during the Khmer Rouge's genocidal 1975-1979 rule over Cambodia.

After stopping briefly at a hotel, they moved to the unfurnished SNC headquarters, where the SNC has agreed to allow the Khmer Rouge to be housed for their safety.

Last month's attack, which sent the Khmer Rouge fleeing back to Bangkok just hours after their leader arrived, had threatened to derail the peace process by preventing the SNC from meeting.

Phnom Penh authorities have pledged to keep any demonstrators at least 300 meters (yards) fom the SNC building.

The secretariat will handle day-at-day administration for the 12-member SNC, the reconciliation body that is at the center of Cambodian peace process.

The 12-member SNC groups representatives of the Phnom Penh government and the three guerrilla factions. Cambodia's October 23 peace treaty calls for it to meet here to represent Cambodian sovereignty until the United Nations can organize elections in 1993.

Prince Sihanouk appealed to the SNC secretariat to help "fully implement" the peace treaty, which also calls for the disarming of the warring factions.

The SNC secretariat was set up during the Beijing meeting on July 18 last year with 6 delegates from all factions including: Sok An, Chum Bunrong, Chem Vidhya, Veng Sereivuth, Pen Thol and Mak Ben.

Sihanouk Receives PLO Ambassador's Credentials

BK1812054091 Phnom Penh SPK in English 0443 GMT 18 Dec 91

[Text] Phnom Penh SPK December 18 —Palestinian ambassador to the SNC, H.E. [His Excellency] Sayed Khallil al Massi, presented his credential letter in Phnom Penh Tuesday [17 December] to Prince Norodom Sihanouk, chairman of the Supreme National Council [SNC] of Cambodia.

He is the 17th ambassador to be accredited to the SNC since Prince Norodom Sihanouk returned to Cambodia on November 14.

The 17 countries that appointed their ambassadors and chiefs of their mission to the SNC included France, Thailand, North Korea, the United States, Britain, Canada, Japan, Hungary, India, Vietnam Australia, China, Laos, Belgium, Switzerland, Sweden, and Palestine.

Speaking to his guest, Prince Norodom Sihanouk deeply thanked Mr. Yasir 'Arafat, president of the Palestine Liberation Organization (PLO) for his contribution to the search for the political solution of the Cambodian problem.

On behalf of the SNC and Cambodian people, he voiced support to the Army and people of Palestine in their national liberation movement.

He wished the Palestine diplomat successes in his term of office in Cambodia.

Foreign minister Hor Namhong, member of the SNC, also present on the occasion.

Chea Sim Discusses Bilateral Ties With Lao Envoy

BK1812055391 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 17 Dec 91

[Text] At 0800 on 17 December at the National Assembly office, His Excellency Chea Sim, chairman the Cambodian People's Party [CPP] Central Committee, National Assembly, and Kampuchean United Front for National Construction and Defense, cordially and warmly received H.E. Khamphan Simmalavong, ambassador extraordinary and plenipotentiary of the Lao People's Democratic Republic to Cambodia, who paid a courtesy call.

On that occasion, H.E. Chea Sim was very pleased with and welcomed the presence of H.E. Khamphan Simmalavong in the land of Angkor, which represents further contribution to strengthening and developing bilateral relations between Cambodia and Laos. He added that the State of Cambodia [SOC] Government's position, in this new stage, remained unchanged toward the relations of solidarity and friendship between Cambodia and Laos. H.E. Chea Sim stressed that the position of the CPP and the government of the State of Cambodia was to adhere to the spirit of the Paris peace accord at all times.

In his reply, H.E. Khamphan Simmalavong expressed pleasure with and thanks to H.E. Chea Sim for granting the audience. He also welcomed and voiced full support for the SOC Government's stance, goodwill, and pledge to always implement the peace agreement. He was firmly confident that Cambodia would certainly be peaceful and prosperous in the future.

Hor Namhong Receives Chinese Envoy 12 Dec

BK1712033691 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 16 Dec 91

[Text] Hor Namhong, foreign minister of the State of Cambodia [SOC] and member of Cambodia's Supreme National Council [SNC], received at the office of the Foreign Ministry on the morning of 12 December His Excellency Fu Xuezhang, envoy of the PRC to Cambodia, [words indistinct] diplomatic mission in Cambodia.

On that occasion, Hor Namhong stressed that the presence of the Chinese (?diplomatic) envoy in Cambodia was new evidence and essential (?factor for) friendship between Cambodia and China.

In his reply, His Excellency Fu Xuezhang expressed great joy (?and thanked the) SOC Government for creating favorable conditions for him to fulfill his diplomatic mission.

Delegations Discuss Trade Consolidation, Expansion

BK1712094991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 17 Dec 91

[Text] On 16 December 1991 at 1600 at the office of the Foreign Ministry, a Cambodian delegation led by His Excellency [H.E.] Hor Namhong, the State of Cambodia's foreign minister and member of the Cambodian Supreme National Council; Planning Minister Chea Chanto; Deputy Foreign Minister Long Visalo; Kim Seap, deputy minister of communications, transport, and posts; Deputy Industry Minister It Prang; Deputy Trade Minister Uk Rabun; and a number of Foreign Ministry officials held a working meeting with an Australian delegation led by H.E. Senator Gareth Evans, minister of foreign affairs and trade, along with Foreign Ministry officials and Australian businessmen.

Beginning the meeting, H.E. Hor Namhong expressed thanks to the Australian foreign affairs and trade delegation for visiting Cambodia and considered that this visit will strengthen and expand the relations of friendship between the two countries. H.E. Hor Namhong also expressed thanks for Australia's humanitarian aid to the Cambodian people during difficult times.

Replying, H.E. Senator Gareth Evans expressed satisfaction for the visit to Cambodia and welcomed peace in the country. H.E. Gareth Evans acknowledged the suffering of the Cambodian people in the recent past. Afterward, the Australian delegation pointed out the policy to invest in Cambodia and the possibility of cooperation in [words indistinct] banking, agriculture, fuel, water, electricity, and telecommunications.

The Cambodian side welcomed Australia's intention to invest in Cambodia and pointed out the success of cooperation in the field of telecommunications between OTC [Overseas Telecommunications Corporation] and the Department of Posts.

The two sides examined the means and measures to quickly consolidate and expand bilateral cooperation. The talks were held in a happy and cordial atmosphere with mutual understanding.

Indian Minister Leaves; Visit Discussed

BK1512054891 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 15 Dec 91

[Text] On 14 December 1991 at 0900, His Excellency [H.E.] Eduardo Faleiro, Indian state minister, paid a courtesy call on H.E. Hun Sen.

At this meeting, H.E. Hun Sen welcomed the visit by H.E. Eduardo Faleiro and informed the guest about the implementation of the Paris agreement, signed on 23 October. H.E. Hun Sen briefed the guest on the clear distinction among three powers, the UN Transitional Authority in Cambodia, the Cambodian Supreme National Council, and the on-the-spot state authorities. This is clearly stated in the Paris agreement. H.E. Hun Sen specified that this agreement should be rigorously implemented—no more, no less.

Furthermore, H.E. Hun Sen and the guest welcomed the existing Indian-Cambodian cooperation and said this will continue. They also proposed increasing cooperation in other fields, such as education. H.E. Hun Sen also highlighted the important role of Samdech Norodom Sihanouk, father of the nation, head of state of Cambodia, and SNC chairman, in bringing peace to the Cambodian people in the future.

H.E. Eduardo Faleiro welcomed the relations between Cambodia and India and also welcomed Cambodia's top leaders, such as Samdech Preah Norodom Sihanouk and

H.E. Hun Sen. He also expressed joy at the international community's cooperation with Cambodia to build the country. H.E. Indian State Minister also expressed thanks for the warm welcome and promised that India will strive to act in accordance with the proposals raised to contribute to rebuilding Cambodia.

At 1100, H.E. Eduardo Faleiro called on Samdech Preah Norodom Sihanouk, Cambodia's head of state and SNC chairman. Samdech Preah Norodom Sihanouk warmly thanked India for its assistance to the Cambodian people and highlighted India's important role in finding peace for the Cambodian people.

Afterward, H.E. Eduardo Faleiro expressed thanks to Samdech Preah Norodom Sihanouk for allowing him to make the call. He also brought a mesasge from the Indian prime minister to Samdech Preah Norodom Sihanouk. At this meeting, H.E. Eduardo Faleiro handed over to the samdech medicine—symbol of Indian aid, which will be brought in soon—consisting of rice and medicine, for the Cambodian people to alleviate the latter's hardship and suffering caused by the recent floods. Finally, Samdech Preah Norodom Sihanouk hosted a luncheon in honor of H.E. Eduardo Faleiro and guests of honor.

At 1700, a news conference was organized at the Chamka Mon state palace and presided over by H.E. Eduardo Faleiro. A multitude of local and foreign reporters attended, reflecting the attention and sentiments of reporters toward India and Indo-Cambodian relations.

On the morning of 15 December 1991, the delegation led by H.E. Eduardo Faleiro returned home. Seeing the delegation off at the airport were Long Visalo, deputy foreign minister, and many high-ranking Cambodian officials.

Vietnamese Two-Star Officer Arrested 10 Dec

BK1812004891 (Clandestine) Voice of the Khmer in Cambodian 2330 GMT 17 Dec 91

[Text] On 10 December 1991, Division 116 of the National Army of Democratic Kampuchea, operating along the Stoeng Sen River in the southern part of Kompong Thom Province, arrested a Vietnamese two-star officer in the area of O Ta Sek. The officer was found together with 30 other Vietnamese soldiers, some wearing the uniform of the Phnom Penh side while the others were in plain clothes. These soldiers were assigned to carry out military, political, and espionage missions and to set up secret bases in the area.

France To Send 200 Mine Experts

BK1712080191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 17 Dec 91

[Text] Speaking to General Tie Banh, defense minister of the State of Cambodia, in Phnom Penh on 13 December, His Excellency Philippe Coste, ambassador of the French Republic to Cambodia, said that between 20 to 25 January 1992 the French Republic, which is one of the five permanent members of the UN Security Council, will send 200 mine experts to Cambodia to join the UN Transitional Authority in Cambodia [UNTAC].

The ambassador who was accompanied by Colonel [name indistinct], a French officer who had just arrived in Cambodia to take part in the UNTAC, stressed that the French Government has prepared all conditions and measures for the peace agreement signed in Paris on 23 October 1991 to be implemented successfully.

The ambassador added that the present urgent task is to arrange measures for clearing mines which were scattered in the western region of Cambodia so that the 350,000 Cambodian refugees can be sent home safely.

While assessing the onset of the present situaiton in Cambodia, his excellency the French ambassador said that it is necessary to do anything possible to enable this commencing process to advance quickly. The French Republic will help seek every way to quickly normalize the situation in Cambodia so that there will be sufficient time to rebuild the country.

Speaking on that occasion, General Tie Banh thanked the French Republic for helping to seek peace for Cambodia. He said that together with its presence on all negotiation forums for peace in Cambodia, the French Republic has given, through the SNC, aid successively to Cambodia which is presently experiencing a time of need.

General Tie Banh pledged to arrange all conditions for the bilateral cooperation between Cambodia and France to proceed successfully.

300 Demonstrate Against Official Corruption

BK1712095491 Hong Kong AFP in English 0858 GMT 17 Dec 91

[Text] Phnom Penh, Dec 17 (AFP)—Nearly 300 people demonstrated against official corruption here Tuesday, the first such protest since the government began easing its grip on Cambodian society in October.

Prince Norodom Sihanouk, meanwhile, lashed out at accusations that he was not doing enough to fight corruption, saying that as president of Cambodia's Supreme National Council he had no administrative powers.

About 40 factory workers and more than 200 other people gathered outside the Industry Ministry to demand the ouster of Vice Minister Sok Ey San, whom they accused of selling or leasing off a state-owned heavy equipment factory without compensating employees who lost their jobs.

"Down with corruption. Down with Sok Ey San," read a slogan painted in red on a gate facing the ministry.

The demonstrators sought to make clear, however, that their protest was not against the government as a whole. "Long live the State of Cambodia," read graffiti scrawled alongside the anti-corruption slogans.

A few dozen police stood by, but did not intervene.

"We're just here to keep the traffic moving. The rest is the business of the Ministry of Industry," a senior police officer said.

After two hours, plainclothes officials erased the slogans with whitewash.

Sok Ey San was sanctioned for corruption in the mid-1980's, but later returned to the Industry Ministry and rose to the post of vice minister in charge of administrative affairs.

"The workers are poor, but the ministers are selling buildings and not giving anything," said Dy Sarum, 25, who identified himself as a student.

He said factory workers earned less than 10,000 riels a month, but many had not been paid for two months.

The arrival of the United Nations, other international organizations and foreign businessmen following the October 23 signing of a Cambodian peace treaty in Paris has triggered a real-estate boom in Phnom Penh, with government ministries among the leading vendors.

Many state workers and civil servants are convinced that their superiors are pocketing some of the proceeds, but they have been unable to provide proof.

Demonstrations such as Tuesday's were unheard of before October, when Phnom Penh's ruling party dropped all mention of communism and declared itself in favor of democracy.

Prince Sihanouk issued a statement, meanwhile, saying that he had been accused in the international press of doing "absolutely nothing to check corruption."

He stressed that under the October 23 Cambodian peace treaty, he had "no governmental or administrative power."

"I would not know how to assume responsibility for something that is outside of my power" he said.

The Supreme National Council is a reconciliation body grouping leaders of the Phnom Penh government and the three guerrilla factions under Prince Sihanouk's chairmanship.

It is supposed to meet in Phnom Penh to represent Cambodian sovereignty until the United Nations organizes elections here in 1993, but it has no administrative duties.

"The SNC is not at all a government and the SNC should in no case exceed the rights and powers granted to it by the peace treaty," Prince Sihanouk said.

Indonesia

Continuing Reportage on East Timor Shooting

Commission Says Only 19 Killed

BK1712073691 Melbourne Radio Australia in English 0500 GMT 17 Dec 91

[Text] An Indonesian Commission investigating last month's alleged shooting in East Timor says it has found no evidence that more than 19 people were killed. During a 16-day fact finding mission that ended on Saturday, team members talked to local government, military, and religious leaders as well as to witnesses to the shootings in the East Timor capital, Dili.

According to the Indonesian Government 19 people died and 91 others were injured after troops shot in self defense against an attacking mob of demonstrators at a cemetery in Dili. However, other sources had said that the dead toll could be 100 or more and that the shooting was unprovoked.

The leader of the investigating team has told Indonesian newspapers he expects to complete his report in about 10 days and he hopes it can be handed to Indonesia's President Suharto before the end of the month.

'Legal Process' To Be Invoked

BK1712132091 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 17 Dec 91

[Text] Attorney General Singgih has said that a legal process on suspects in the Santa Cruz incident in Dili will not depend on the results of a probe by the National Investigation Commission led Supreme Court Judge Jaelani. Speaking at a working meeting with House Commission III [in charge of law enforcement] chaired by Commission Vice Chairman Abdul Majid in Jakarta this afternoon, Attorney General Singgih said that Anti-Subversion Law No. 1/1963, which was earlier invoked against those were involved in incidents in Lampung, Tanjungpriok, Aceh, and Irian Jaya, would also be invoked to deal with the 12 November incident.

Singgih noted that the National Investigation Commission was conducting a probe into the incident and would submit its report to President Suharto. He said that the legal settlement of the Dili incident would be invariably based on laws in force throughout Indonesia.

Warning on 'Insinuative' Reports

BK1812113491 Jakarta ANTARA in English 1050 GMT 18 Dec 91

[Text] Jakarta, Dec 18 (OANA-ANTARA)—President Suharto has asked members of the Press Council to discuss the impact of foreign media reports on the Dili, East Timor incident on November 12 because the reports had damaged Indonesia's image.

Information Minister Harmoko, after a meeting with the head of state at the state palace here on Wednesday to report about the preparations of the upcoming plenary session of the Press Council at Bandar Lampung on January 10 through 12, told the press that the reports of most of the foreign media were disproportionate.

The head of state, on his return home after conducting state visits to several countries recently, declared that the foreign press media had exaggerated the Dili incident in which 19 persons lost their lives and 91 others injured.

Several foreign radio stations have obtained the reports from irresponsible sources, Harmoko stated. He said that the Ministry of Information had issued warnings to various foreign media which continued to launched insinuative reports on the incident.

Foreign media correspondents would have the freedom to conduct news reporting here, Harmoko said. However he reminded them that they should respect regulations which were in force in Indonesia.

They should behave chivalrously. They do not need to come to Indonesia secretly, for instance by declaring to be a tourist. A foreign correspondent who was killed in Dili, was in the possession of a tourist visa. He came to Indonesia for the obvious purpose of reporting, Harmoko said.

Minister Harmoko also reported to the president about the prepations for the commemoration of the national press day which would be held at the state palace in Jakarta on February 10, 1992.

Authorities Ban Demonstrations

LD1812093691 Melbourne Radio Australia in English 0700 GMT 18 Dec 91

[Excerpt] The Indonesian military authorities in East Timor are reported to have banned demonstrations in the province and warned that firm action will be taken against anyone violating the order. The ban was reported by the Jakarta daily newspaper MEDIA INDONESIA, quoting the East Timor military operations command. The command referred indirectly to the massacre in the East Timor capital, Dili, on 12 November, when troops fired into what Jakarta has described as a group of unruly demonstrators. It's quoted as saying that several previous demonstrations in Dili had not been expressions of aspirations but actions which breached regulations and aimed at undermining government authority. [passage omitted]

Alatas Interviewed on Incident

BK1712144591 Jakarta TEMPO in Indonesian 7 Dec 91 p 27

["Excerpts" of interview with Indonesian Foreign Minister Ali Alatas by TEMPO correspondent A. Margana aboard a plane from Caracas to Las Palmas, Spain, on 30 November]

[Text] [Margana] Why has the Dili incident attracted strong reactions from several countries?

[Alatas] The incident took place just at the time when the world community's attention was focused on the human rights situation.

[Margana] Don't you think the strong reactions are partly caused by foreign media coverage?

[Alatas] The incident must also be attributed to certain group's provocations. I do not want to say that all journalists are the same, but there are certain elements among them and certain nongovernmental organizations, and of course Portugal, which are trying to capitalize on the incident for their own political interests and in order to corner Indonesia.

[Margana] The incident has caused us to suffer a setback [preceding word in English], especially in our efforts to remove the East Timor issue from the UN agenda.

[Alatas] It is obviously a setback in view of the fact that we have tried to solve the problem for some time.

[Margana] Do we have to start from scratch again in our efforts to remove the East Timor issue from the UN agenda?

[Alatas] I hope not. However, we must admit that it depends on how we cope with the issue, both inside and outside the country. It depends on how we present our detailed and credible [preceding word in English] explanation to the international community.

[Margana] We have set up an investigation committee for the incident. Why didn't the government set up a similar committee for the Tanjung Priok and Lampung incidents [involving Muslim fundamentalists]?

[Alatas] They are obviously different cases. The status of Lampung and Aceh is not being questioned within the Indonesian territory, while the status of East Timor is still being debated outside the country. This is the difference.

[Margana] What happens if some people view the outcome of the investigation as not being objective?

[Alatas] We had better not draw any conclusion before the investigation committee finishes its job. The committee will make a comprehensive and objective investigation and anybody who acts against our national law will face legal action. I hope that foreign countries will accept this and will be willing to exercise restraint until the investigation is completed. This attitude is better than trying to condemn Indonesia based on news reports that are not true and even exaggerated by certain groups or individuals.

[Margana] The Netherlands has halted its economic assistance to Indonesia. What made the Netherlands Government do that?

[Alatas] I regret that fact that the Netherlands Government finds it necessary to suspend its economic assistance at this stage while they are still waiting for the outcome of the investigation. I believe it will be much better for them to wait without making any hasty decisions. However, I do understand the political situation in countries like the Netherlands where the press and public opinion have strong influence on the parliament.

[Margana] What is the role of [Netherlands Minister] Pronk in this matter?

[Alatas] Pronk is a cabinet minister in the Netherlands Government and is in charge of foreign economic cooperation. Therefore, he has inevitably been cast into the limelight.

[Margana] What happens if it turns out that the outcome of the investigation does not satisfy those people and the Netherlands economic assistance remains suspended?

[Alatas] In this case, I do not want to get involved in a hypothetical discussion on something that has not taken place because it will not help solve the problem.

[Margana] If the issue of economic assistance is not settled soon, don't you think it will make things difficult for us because the draft budget must be presented to the House of Representatives in January?

[Alatas] What I can say now is that we hope all our economic partners will think carefully before they decide to connect political and security affairs with economic cooperation. I believe economic cooperation has its own objectives, such as combating poverty and improving public welfare. What is the impact of such suspension of economic assistance? Will such suspension attain its objectives?

[Margana] What do you think of the letters written by the East Timor bishop Belo and the Indonesian Council of Churches?

[Alatas] I think the pastoral note issued by the East Timor bishop is an excellent one because he expresses his conviction that places of worship should not be used for political actions, including protest rallies.

The same is true with the letter written by the Indonesian Council of Churches, which has a constructive tone in saying that: "We have heard many things which apparently show there are discrepancies in facts." The letter also called on the investigation committee to conduct an objective and fair investigation of the Dili incident.

Laos

Prime Minister Issues Decree on State Enterprises

BK1712043391 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 14 Dec 91

[Decree No. 91/No Yo issued by Prime Minister Khamtai Siphandon in connection with state enterprises—dated 5 December 1991]

[Text] With reference to the Constitution of the Lao People's Democratic Republic [LPDR] and Decision No. 19/Po So Lo of the Council of Ministers dated 12 March 1988 on the right to autonomy in carrying out business production by the state's fundamental business sectors, the prime minister issues the following decree:

Part I. General Principle

Article 1. State enterprises are business sectors belonging to the entire people in the country. The government acts as the people's representative in managing state enterprises through executive councils. Enterprises with more than 50 percent of their shares of the entire capital which are held by the government are called state enterprises. State enterprises are juridical bodies having sovereignty both in carrying out business activities and financial transactions. It must be ensured that activities undertaken by state enterprises are to generate profits. On the basis of the recommendations made by the executive councils, the state soley possesses the ownership of state enterprises. The congresses of shareholders are in charge of dividing profits among shareholders after tax payments are made.

In addition to this decree, state enterprises must comply with other laws of the LPDR.

Article 2. The executive councils of state enterprises are authorized to issue and sell shares or to increase capital after approval is given by the government. The executive councils can sell shares to either cadres and workers of state enterprises or to the general public.

Article 3. For those enterprises that are wholly owned by the state, the minister of economy, planning, and finance will act as representative of the government in the capacity of capital owner who is authorized:

3.1 to appoint and to dissolve the executive councils;

3.2 to appoint and to remove members of the executive councils;

3.3 to fix the rate of allowances and policy money [ngeun na-gnobai] for attending meetings, which must be paid to members of the excecutive councils and those persons invited to attend such meetings as stipulated in item 4.8;

3.4 to outline the goals of state enterprises;

3.5 to approve the appointment and removal of enterprise directors;

3.6 to approve the issuance and distribution of shares;

3.7 to recommend methods on how to operate business activities;

3.8 to recommend the sale of enterprises or original property of enterprises.

For those enterprises that are not wholly owned by the state, the congresses of shareholders have the right to perform the above-mentioned duties.

Part II: The Executive Councils and Directors of State Enterprises

Article 4. The state or shareholders of state enterprises solely exercise the right to authorize the executive councils of state enterprises to be in charge of managing state enterprises with the following rights and powers:
4.1 to approve strategies in carrying out business operations;
4.2 to evaluate the outcome of the business functioning of enterprises;
4.3 to propose the appointment and removal of directors;
4.4 to fix salaries and allowances for directors and deputy directors on the basis of the regulations laid down by the Ministry of Economy, Planning, and Finance;
4.5 to approve the appointment of chief accountants on the basis of recommendations of enterprise directors;
4.6 to propose auditing authorities or freelance auditors from outside to the congresses of shareholders;
4.7 to make recommendations on the change of capital and regulations of state enterprises to the congresses of shareholders;
4.8 to invite persons who have capabilities, experience, and lessons in business management to attend the meetings of executive councils. The executive councils convene an ordinary meeting every three months. An extraordinary meeting can be held any time as needed in accordance with the nature of work and directly called by chairmen of the executive councils or proposed by more than one-half of the total number of members of the executive councils. The executive councils supervise and control but refrain from directly participating in the management of daily work by the directors unless one of the members of the executive councils is concurrently appointed as director.

Article 5. The executive council is composed of between three and seven members with the following positions:
5.1 a chairman to represent the state appointed by the minister of economy, planning, and finance;
5.2 a vice chairman to represent the ministry or service concerned appointed by the minister of economy, planning, and finance at the recommendation of the minister of the ministry or service concerned;
5.3 a representative of cadres and workers of the state enterprise elected by cadres and workers. Concerning a state enterprise wholly owned by the state, the state will fix the number of members of its executive council. Concerning a state enterprise that is not wholly owned by the state, the congress of shareholders will fix the number of members of the executive council. Members of the executive council do not have to be state employees. They can be selected from a contingent of capable persons who play some roles in society, have knowledge and capabilities, and possess actual lessons in business management or management skills in other spheres which are essential to state enterprises. Before a member of the executive council is appointed, consideration must be given to explore any conflicts of interest which may arise if that member assumes his position. Before being appointed as member, the person concerned must make a public announcement of all of his own conflicts of interest to the public. A member of the executive council has no right to express opinions, give advice, and make decisions on any problems if that member has conflicts of public interest. The tenure of the executive council is three years. The council can be reappointed, however.

Article 6. The appointment and removal of directors and deputy directors of state enterprises are as follows:

The Minister of Economy, Planning, and Finance has the authority to appoint or remove a director of a state enterprise that is fully owned by the state as proposed by the executive council. Deputy directors of such enterprises are appointed or removed by the executive council as proposed by the director.

The executive council has the authority to appoint or remove a director of a state enterprise in which the state holds over 50 percent of its equities as proposed by the general meeting of shareholders. The appointment and removal of deputy directors are decided by the general meeting of shareholders as proposed by the director.

Directors of state enterprises are under the responsibility of the executive council in administrating and developing state enterprises in accordance with the targets, strategies, and plans endorsed by the executive council.

Directors of state enterprises are authorized to make decisions on all affairs of state enterprises within the limit set by the executive council. This responsibility includes proposing for endorsement periodic strategies, annual budgets, periodic and annual financial statements of enterprises, and reports on specific issues as requested by the executive council prior to its meeting.

Part III: Capital and Dividend Sharing

Article 7. The total capital and assests as well as profits of state enterprises since the day of their establishment which appear in the assets statements are the capital of the state invested in the state enterprises. With the approval of the executive council and consent of the general meeting of shareholders, the utilization of the said capital is solely the right of the state.

Article 8. The executive council decides the loan/captial ratio and the level of efficiency of state enterprises. The old practice of returning capital [words indistinct] to the state is now replaced by payment of dividents to the state and shareholders.

Article 9. If necessary and with consent of the government, the executive council is authorized to determine capital structure of a state enterprise that is wholly owned by state and to calculate the amount of shares which can be sold to cadres and workers of that enterprise or to the general public in conformity with the enterprise law. The executive council has the authority to mobilize additional capital through selling equity certificates, with consent of the meeting of shareholders, for an enterprise of which more than 50 percent, but not 100 percent, of the equities is owned by the state. If the value of the shares sold is more than half of the total capital of an enterprise, such an enterprise is no longer regarded as a state enterprise but a company in which the state has coinvested and is governed by the enterprise law. The capital mobilization for state enterprises can be achieved in such ways as through loans from banks and other financial institutes both inside and outside the country on the basis of respect for the regulations and laws of the Lao People's Democratic Republic.

Article 10. The profit after tax of state enterprises must be dispensed in accordance with the following objectives:
10.1 payment of equity dividends;
10.2 improvement and expansion of business production through capital increase;
10.3 improvement of collective livelihood of cadres and workers by increasing social welfare fund;
10.4 payment as allowances and other policy money [ngeun na-gnobai] for members of the executive council;
10.5 payment as allowances for directors, deputy directors, cadres, and workers.

Part IV: Organization of the Implementation of Third Decree

Article 11. All ministries and government organizations which have enterprises under their jurisdiction are required to cooperate with the Ministry of Economy, Planning, and Finance in establishing the executive councils of state enterprises in line with this decree.

Article 12. The Ministry of Economy, Planning, and Finance is assigned to work out a general financial direction on behalf of the state which holds more than half of the equities of enterprises. If the state holds less than 50 percent of the equities of enterprises, it may play its management role as shareholders and attend general meetings of shareholders.

The Ministry of Economy, Planning, and Finance is the centralized organization in charge of supervising and organizing the implementation of financial plans of all state enterprises nationwide. This responsibility includes auditing work, inspection of financial status, and tax payment of state enterprises in order to confirm the actual profits of enterprises which will be used as a basis for the calculation of tax payment and divident distribution.

Article 13. The Ministry of Economy, Planning, and Finance is assigned to devise and promulgate detailed regulations governing the implementation of this decree.

Article 14. Following the promulgation of the enterprise law, state enterprises are allowed to choose to operate in the form of corporations or limited companies.

Article 15. This decree is issued to modify and amend Article 2, items 3.2 and 3.5, which allow state enterprises to set prices and wholesale prices of finished products of the resolution adopted by the Council of Ministers No. 19 dated 12 March 1988. Items 3.6, 4.2, and Article 8 of the said resolution are hereby nullified by this decree.

The contents of past decrees, rules, and regulations which contradict this decree are hereby nullified and replaced by this decree.

This decree comes into effect from the day it is signed and publicized.
[Dated] Vientiane, 5 December 1991
[Signed] Prime Minister Khamtai Siphandon

Policy on Foreign Investment Discussed

BK1712014691 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 16 Dec 91

[PASASON 16 December article: "Policy and Foreign Investment in Laos"]

[Text] Following the fourth party congress, our party has begun pursuing a policy of broadening cooperation with foreign countries, declared a move to turn to the new mechanisms by relying on the system of business accounting, abolished the state-financing system in all economic sectors, and made use of all market mechanisms and economic sectors available in the country. Our party has also relied on the policy of broadening cooperation with foreign countries as a guideline in carrying out socioeconomic development. This has been done in order to expand business activities in the trading, tourism, and services sectors; to increase technical, scientific, and cultural cooperation with other countries; and to acquire foreign assistance and loans.

In addition, the Lao People's Democratic [LPDR] government has also promulgated investment, criminal, civil, insurance, ownership, inheritance, contractual, and other laws. It has established a committee to manage foreign investment in the country to create convenient conditions for foreign investors. The LPDR Government has also implemented a policy of providing promotional privileges to foreign investors: for example, by giving tax exemption to them in importing construction materials, scientific, and technological equipment, and other materials for use in implementing their investment projects here. Our government has even refrained from collecting taxes on profits made by them for at least two years upward, depending on the priority of their investment. Income tax on earnings made by foreign investors has also been reduced. At the same time, the LPDR Government has also allowed the latter to engage in competition in trading on a free and legal basis.

Our government has provided security measures for investment projects and has acknowledged the ownership of property and profits earned by foreign investors, as well as their right to remit monetary profits through banks to their respective countries. Moreover, the government has provided conveniences to foreign investors to help them carry out business activities, including the rights of entry and reentry and the right to maintain residence in the LPDR. This policy has been widely supported by our multiethnic people and welcomed by other countries.

Thanks to this policy, foreign investment in various fields in our country has rapidly increased in recent years. According to statistics released by the Foreign Economic Relations Ministry on foreign investment in the LPDR, there are now 11 projects in contractual businesses with a total investment of U.S. $23,875,000; 73 projects of joint business ventures with a total capital of U.S. $139,820,000; and 52 projects with unilateral investment totaling U.S. $97,637,000 in capital. Of all these projects, 33 are in import-export businesses, 25 in industrial and handicraft production, and 20 in garment businesses. The largest investment has been made in the hotel and tourism sector, with a total capital of U.S. $96,669,000; second is in transport businesses, with a total capital of U.S. $60 million; and third is in mining and oil trading businesses, with a total capital of U.S. $40,896,000. The largest amount of capital for foreign investment here has come from Thailand, investing in 62 projects with a total capital of U.S. $108,465,000. Next is the United States, investing in 12 projects with a total capital of U.S. $61,489,000, and France, in 12 projects with a total capital of U.S. $13,673,000. In the meantime, the LPDR Government has also leased or sold a number of state companies and factories which are inefficient in economic operations to the private sector to increase both quantitatively and qualitatively the efficiency and development of their production and to ensure the fulfillment of their obligations to the state.

Philippines

U.S. To Receive Termination Notice by 1 Jan 92

HK1812065891 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 18 Dec 91

[By Vicky Robles, Radio Patrol 15]

[Text] By 1 January 1992, the Department of Foreign Affairs will serve a formal notice of one-year withdrawal to the U.S. facilities remaining in the country. Foreign Affairs Secretary Raul Manglapus gave this assurance to Malacanang reporters. Meanwhile, Manglapus will try to confirm the report regarding laying off 4,500 Filipino workers from Subic Naval Base in the coming year. Nevertheless, Manglapus said that there is nothing the Philippine Government can do if the U.S. Government decides to lay the workers off. He said that he has warned the Senate about this matter and stressed that a livelihood support system must be set up for the employees of the Subic Naval Base who will be losing their jobs due to the ongoing withdrawal arrangement.

Meanwhile, Manglapus said he hopes that the U.S. Government will respond as soon as possible on the withdrawal issue regarding Subic Naval Base—by 20 December. Manglapus mentioned that last week, he was able to talk with U.S. Ambassador to the Philippines Frank Wisner before the latter proceeded to Washington.

[Begin Manglapus recording, in English] I have been asked by our government to.... [changes thought] In response to the condition laid down by the Senate, our Senate.... [changes thought] Would there be a schedule of withdrawal? And I have got to wait to see whether this might be one of their ways of responding to the conditions laid down by our Senate. [sentence indistinct] [end recording]

Activists Protest Japanese Military Bill

HK1812050691 Hong Kong AFP in English 0456 GMT 18 Dec 91

[Text] MANILA, Dec 17 (AFP)—About 25 leftist activists picketed the Japanese Embassy in the Philippines Wednesday [18 December], burning flags to protest a Japanese bill that would allow soldiers to join U.N. peace-keeping missions.

The picketers read a statement denouncing the bill and accused Tokyo of "trying to revive militarist Japanese traditions." They also presented a copy of their statements to the Japanese Embassy personnel.

They then burned Japanese and U.S. flags before dispersing peacefully.

Japanese Envoy on Leak on Companies' Payoffs

OW1412095091 Tokyo KYODO in English 0920 GMT 14 Dec 91

[Text] Manila, Dec. 14 KYODO—Allegations that Japanese firms bribed the late President Ferdinand Marcos has sparked a tiff between the Japanese ambassador in Manila and the chief government lawyer in the Philippines, documents showed Saturday.

Japanese Ambassador Toshio Goto, in a letter to Foreign Secretary Raul Manglapus dated December 9, said that he regrets Solicitor General Francisco Chavez's alleged failure to send the embassy advance copies of documents detailing alleged Japanese company payoffs to Marcos in exchange for business contracts.

Goto said Chavez also spurned a Japanese Embassy request for advance notice about a news conference he held December 5.

In his letter, Goto said it was regretful that the news conference was set without prior notice, and that advance copies of documents were circulated "in disregard of the embassy's request."

"I consider it to be a necessary ingredient in the conduct of diplomatic relations between friendly governments that they offer appropriate consideration and courtesies to each other when it concerns a timely provision of relevant documents and information," Goto's letter added.

The envoy's letter also hinted that such incidents, if repeated, would adversely affect bilateral relations and economic aid to the Philippines.

Chavez sent a letter to Manglapus saying that a complete set of the documents had been sent to Japanese Embassy officials 30 minutes before the press conference.

Chavez also requested that Manglapus remind Goto that the solicitor general's office is not an "adjunct" of the embassy and that Chavez did not need to inform the embassy before holding a news briefing.

During the December 5 news conference, Chavez alleged that seven Japanese firms gave Marcos a total of 54.8 million dollars in payoffs.

He identified the companies as Toyo Corp., Sakai Heavy Industries Ltd., Mitsui and Co., Nissho-Iwai Co. Ltd, Marubeni Industries Ltd., Sumitomo Shoji Kaisha, and Taihei Co.

Japanese Embassy Counselor Seiichi Kondo said the embassy did not intend to pressure Chavez' office into providing the embassy with information on the alleged bribery.

He said the embassy had been closely monitoring investigations regarding the Marcos family fortune, and followed diplomatic rules when it asked the Philippine Department of Foreign Affairs for assistance in obtaining documents from Chavez.

Japan To Halt Loans Until IMF Conclusion

HK1812044891 Manila PHILIPPINES NEWSDAY in English 18 Dec 91 p 8

[By Andres B. Saracho]

[Text] No substantial loan inflows will be released to Manila unless an early conclusion to the International Monetary Fund review is reached, the Japanese government said.

But Finance Secretary Jesus P. Estanislao assured senior Japanese officials in a meeting in Tokyo on Monday that the necessary steps for getting the seal of good economic housekeeping from the IMF are being taken by the Philippine government, including the passing of legislative measures to reform the structure and the implementation of a power rate adjustment by next month.

Estanislao met with Japanese Finance Minister Tsutomu Hata and Foreign Minister Michio Watanabe in the first stop of his week-long negotiations with foreign creditors to get their support in reviving the Philippine economy.

"Both ministers stressed that the government of Japan is anxious that we conclude very soon the consultations we have been having with the IMF," Estanislao said in a memorandum to President Aquino, copies of which were released to media yesterday.

"They are hoping for an early conclusion to the Fund review, otherwise there will be many serious obstacles and problems in Japan's ability to provide us with assistance," he said. "They are banking on our continuing the maximum efforts we have been exerting to stay on track with our economic stabilization and reform programs."

Japan, the country's largest bilateral creditor, is being asked for some $2.7 billion in official development assistance (ODA) for 1992 under the 18th yen loan package, part of which will go to the rehabilitation and reconstruction of areas damaged by the Mt. Pinatubo eruptions.

It is expected that at least $1 billion out of the $2.7-billion request would be granted to Manila. Although this would represent only about one-third of the proposed yen loan package, it is nevertheless higher than the $900-million package last year.

The 18th yen loan package is also expected to have a bigger program loan component in the face of backlogs in the utilization of existing project loans. Out of the $900-million package last year, $600 million was for project implementation while the remaining third went to quick disbursing program loans.

Loans to enhance the country's debt relief package with the foreign commercial bank lenders are also being sought, amounting to at least $150 million.

Estanislao likewise asked the Japanese officials to facilitate the bilateral debt negotiations between the two countries under the fourth Paris Club debt restructuring agreement. Eligible for restructuring under these negotiations are roughly $800 in official debts falling due between July 1, 1991 and Dec. 31, 1992.

In addition to the IMF review, however, Tokyo expressed serious concern over the country's ability to utilize ODA grants and loans already in the pipeline. Multilateral and bilateral donors to the Philippine Assistance Program [PAP] have noted the government's poor absorption capacity, primarily due to the lack of peso counterpart funds needed to implement the foreign-assisted projects.

"They also would like to see continuation of improvements in project implementation which can be helped by having the required peso counterpart funds," Estanislao said in the memorandum.

To convince the Japanese government into providing the much-needed economic aid to the Philippines, Estanislao said, "I gave them the assurance that we are leaving no stone unturned to help ensure that we continue to be on track without own program of economic stabilization and reform."

He cited the impending increase in power rates by January as well as the special one-week session of Congress to tackle seven administrative-sponsored measures, the bulk of which are revenue enhancement bills.

These are crucial to the IMF talks, scheduled to start today in Wshington, which, in turn, are a condition for Japanese assistance. Japan's loan package would be pledged in the PAP consultative group meeting in February.

Japanese Firm To Set Up 1.5 Billion Peso Plant

HK1712040991 Manila THE CHRONICLE in English 17 Dec 91 p 1

[By Elizabeth Perez]

[Text] Daiichi Forging Co. Ltd., the second biggest steel-forging enterprise in Japan, wants to set up a multi-billion-peso steel project in the Philippines starting next year, Trade and Industry Undersecretary Tomas Alcantara said yesterday.

To be undertaken in three stages, Phase I of the venture is estimated to cost P [Philippine pesos] 1.5 billion and is scheduled to start by the second semester of 1992, Alcantara said.

A feasibility study is now under way and is expected to be completed by June or July next year, he added.

Alcantara said a team of Daiichi officials is now scouting for the plant site, which is programmed to produce 5,000 metric tons of automotive steel products annually. He added, however, that the company would "most likely" locate in the Calabarzon [Cavite, Laguna, Batangas, Rizal, and Quezon] area.

Specifically, Daiichi wants to manufacture heavy automotive components such as engine transmissions and underbody parts to complement the operations of the country's major vehicle assemblers, Alcantara explained.

In Japan, Daiichi supplies big automobile corporations such as Nissan, Toyota and Subaru, he added.

Alcantara said Phase I [Roman one] of the project involves the construction of three steel-forging hammers and a heat-treatment plant, while Phases II [Roman two] and III [Roman three] focus on expansion.

He said that Daiichi originally wanted to locate in Malaysia, but decided instead on the Philippines after perceiving that the investment climate here is bound to improve by next year.

Alcantara recently returned from a one-week trade mission to Japan, where he, together with Trade and Industry Secretary Peter Garrucho Jr., promoted trade and investment opportunities in the Philippines to representatives of over 200 Japanese firms.

$120 Million Damages Sought From Iraq

HK1612052491 Manila PHILIPPINES NEWSDAY in English 14 Dec 91 pp 1, 2

[By Arthur Bariuad]

[Text] The Philippines will file a minimum $120 million war reparations claim before the United Nations (UN) Compensation Commission [CC], a special agency handling war claims from Iraq as a result of the Gulf War, but the amount is expected to exceed initial estimates as the government is still finalizing other claims from both private and public business entities.

This was announced yesterday by Foreign Secretary Raul Manglapus following the passage of a UN resolution requiring Iraq to set aside 30 percent of its oil revenues to pay war claims as a result of its invasion of Kuwait in August 1990.

In a news conference, Manglapus said the Geneva-based commission had already approved three categories of claims which would allow individual victims of the Gulf War as well as commercial corporations and even governments to seek preparations from Iraq.

The initial figure of $120 million was based on the total number of displaced Filipino workers in Kuwait and Iraq which was estimated at between 25,000 to 30,000. DFA [Department of Foreign Affairs] officials said the figure could still go higher as there were some Filipinos who evacuated on their own.

Under the first category, individual victims automatically get $4,000 each for having been displaced or forced to leave Kuwait and Iraq during the gulf War. Aside from the minimum amount, claims for personal damages could go as high as $100,000 each depending on the gravity of the injuries sustained by the displaced individual.

Manglapus said he anticipated that "women who have suffered rape" would be compensated under the first category.

Aside from individual claims, the category would also allow government commercial and private commercial corporations which had incurred losses to be compensated. Manglapus said the state-owned Philippine Airlines would file its own claims for damages through the Philippine government but the total claim was still being determined.

Manglapus said there were also other Filipino-owned construction companies which would file damages through the government.

The third category involves claims by the government which had suffered like the Philippines.

"One claim of the Philippine government is the increase in oil import payments," Manglapus said. "We were sourcing about 30 percent of our oil from Kuwait and Iraq at that time and because of the war, we had to seek more oil elsewhere at higher prices."

Another government claim is the decrease in overseas workers' remittances, Manglapus said. "Our workers are the major sources of dollar income for the Philippine government."

The government as a result of the war also effected "additional exchange rate changes" to prevent the deterioration of the balance of payments and as a consequence suffered high inflation.

According to Manglapus, the war claims will be filed in June next year, when the UNCC begins to accept the claims. He said the UNCC was currency drafting rules for the filing of claims.

However, he said application forms had already been released by the UNCC and were expected to be received by the Foreign Office in January.

He said the DFA would form a secretariat to receive the applications of prospective claimants beginning next year so that the claims could be filed formally before the commission on time by June.

Foreign Mining Investment Tops 8 Billion Pesos

HK1812041791 Manila PHILIPPINES NEWSDAY in English 18 Dec 91 p 8

[By Rose de La Cruz]

[Text] Foreign investments in the mining industry reached P [Philippine peso] 8.355 billion in 1991, representing infusions in 27 mining and two cement projects.

Records from the Board of Investments [BOI] and the Department of Environment and Natural Resources showed that while foreign investments in the mining sector decreased slightly this year from P10.2 billion in 1990, it still remained on a "high plateau" compared with the previous years' levels.

Investments in mining totaled P207 million in 1987, P559 million in 1988, and P5.45 billion in 1989, said Joel Muyco, director of the Bureau of Mines and Geosciences.

BOI reports showed that the assistance of the private sector, through the Philippine Chamber of Mines, resulted in foreign equity inflows of P3.14 billion in 1989 and P3.8 billion in 1990.

Investors came from Australia, Japan, China, Hong Kong, Canada, the United States, France, Germany, Austria, the Netherlands and Great Britain.

The major investors were Western Mining (Australia) which began a copper and gold mine in Masapilid Island in Surigao del Norte, and CRA-Australia which operates, jointly with Lepanto Consolidated Mining Co., a mine in the Mountain Province.

Mauban Mining (China) has interests in a chromite operation at the property of the Natural Resources Development Corp. in Dinagat Island, also in Surigao, while ARIMCO (Australia) is mining for gold and copper in Nueva Vizcaya.

The country is among the world's 10 biggest producers of gold, copper and, in recent years, even nickel and cobalt.

Muyco said the country's mineral output totaled 24,590.9 kilos of gold; 698,172 dry metric tons [DMT] of Chromite ore; and 608.115 DMT of beneficiated nickel ore.

The country has ore reserves of up to 129.8 million tons of gold, 4.2 billion tons of copper and 31.725 million tons of chromite, he added.

72-Hour Christmas, New Year Cease-Fire Ordered

HK1812032091 Quezon City MALAYA in English 18 Dec 91 p 2

[By Jodeal Cadacio]

[Text] President Aquino has ordered the Armed Forces to observe a ceasefire in its war against communist rebels over Christmas and New Year, the military said yesterday.

Gen. Lisandro Abadia, Armed Forces chief of staff, said Aquino had ordered two 72-hour ceasefires, one at Christmas and the other at New Year.

The New People's Army [NPA], fighting for a Marxist state for the past 22 years, is expected to make a similar gesture.

Since 1986, both the Aquino government and the NPA have unilaterally suspended hostilities for 48 hours during Christmas and New Year.

Various sectors, including members of Congress, had called for a longer ceasefire this year.

Military and police units nationwide went on high state of alert starting yesterday to thwart possible offensives to be launched by NPA guerrillas during the holiday season.

The Philippine National Police said intelligence reports indicate that communist insurgents are set to attack ranking military, police, and government officials based in Metro Manila, parts of Cavite, Batangas, Laguna and other neighboring provinces.

A carry out Oplan Pamasko [Operation Plan Christmas Present] from November this year to January 1992. [sentence as published]

Police said based on seized NPA documents, the NPA will carry out Oplan Pamasko from November this year to January 1992.

The NPA plan "calls for the escalation of rebel partisan operations against ranking AFP [Armed Forces of the Philippines], PNP [Philippine National Police] and government officials to highlight the fou ding anniversary of the Communist Party of the Philippines [CPP] on Dec. 6."

The CPP would observe its 23rd founding anniversary on Dec. 26.

Allaying fears of another possible coup, Malacanang said it has received no information regarding this.

Press Secretary Tomas Gomez III said even the Cabinet cluster on political affairs and security has not been meeting for some time. If there were fears of a coup, he indicated, the cluster would have been called to a meeting.

The coup warning was raised by Sen. Juan Ponce Enrile (NP) [Nacionalista Party] who said some segments of the military might move against the government if the latter is unable to hold clean and honest elections next year.

Abadia, speaking in a radio interview, also said the military was monitoring the activities of businessmen giving what he described as extensive financial support to right-wing army rebels led by cashiered Col. Gregorio Honasan.

"You better be prepared because you might get caught up in all this," Abadia told the businessmen.

NPA Said Ready To Exploit Holiday Truce

HK1812030191 Manila PHILIPPINES NEWSDAY in English 18 Dec 91 p 3

[By Dario B. Agnote]

[Excerpt] The military yesterday warned that the communist guerillas would be using the three-day Christmas truce to sow terror in the metropolis.

This developed even as a top-ranking justice official was asked by a religious group to urge the President to call for a ceasefire of military operations in the conflict torn Cagayan and Apayao regions for the duration of the Christmas season.

A senior Armed Forces intelligence officer who requested anonymity alleged that the Alex Boncayao Brigade (ABB), the urban guerillas operating in the Manila-Rizal area, wanted a longer ceasefire period to implement what the military called Operation Plan (Oplan) Pamasko [Christmas Present].

The government has declared two 72-hour unilateral ceasefire periods each for Christmas and New Year.

Defense Secretary Renato S. De Villa said the three-day Christmas and New Year truce is the "most appropriate recommendation" that the government could offer.

De Villa stressed that the unilateral ceasefire declared by the government was not a negotiated ceasefire. "Whatever actions the other side (left-wing forces) may want it's up to them," he said.

General Lisandro C. Abadia, the Armed Forces chief of staff, said President Aquino had decided to extend the period of the truce "because there seems to be an improvement in the security situation" in regard to the Communist Party of the Philippines (CPP) and its armed wing, the New People's Army (NPA).

Asked about the ABB plan, De Villa said there had been "some reports that they are continuing to plan and undertake certain military actions during this period."

"And despite that, in the spirit of Christmas and of the season and hopefully reconciliation we deemed it fit to recommend a short period of respite so that the AFP [Armed Forces of the Philippines] by itself can take a little rest for the other side we don't know... it's really up to them," De Villa said.

The senior AFP intelligence officer said, however, that the military "pretty well knew" that the communist terrorists would take advantage of the respite.

The source said the ABB, also known as the Sparrow Unit of the NPA, hoped to begin executing Oplan Pamasko in the latter part of last month, when "they planned to inteisfy their urban partisan operations, but we don't see (its implementation) anymore." The plan, the source said, had remained that—a mere plan.

The source said the execution of Oplan Pamasko was supposed to have coincided with the Lambat-Bitag [New Trap] II [Roman two] operations which the AFP implemented some three weeks ago. Lambat-Bitag II, the military said, was an "enhancement of the (first) Lambat-Bitag and was more of an intensive civil-military operation."

Oplan Pamasko calls for the defense of insurgent areas, expansion of territories; retaking of lost areas or areas occupied by the government troops; it emphasizes crippling mass strikes, and assassinations of senior police officers especially in Metro Manila. [passage omitted]

Abadia Interviewed on Army, Insurgency

HK1812015491 Manila Manila Broadcasting Company DZRH in Tagalog 0030 GMT 17 Dec 91

[Interview with Armed Forces Chief General Lisandro Abadia by host Joe Taruc on the "Liberty in Action" program—live; italicized passages in English]

[Excerpts] [Taruc] Thank you very much and good morning once again to everyone. This Thursday [19 December] morning we will have as our topic of discussion the Armed Forces of the Philippines [AFP]. Because we will have this topic, we have with us today the chief of staff of the AFP, no other than General Lisandro Abadia. Mr. General, good morning.

[Abadia] Good morning, Joe.

[Taruc] First of all, you are now celebrating the 76th anniversary of the Armed Forces of the Philippines; what is the primary theme of the celebration this year?

[Abadia] Our theme for this year is *unity, professionalization and modernization of the AFP.* [passage omitted]

[Taruc] General, if we are not mistaken, it is now your eighth month as the chief of staff of the AFP.

[Abadia] That is correct.

[Taruc] How would you assess the past eight months as chief of staff?

[Abadia] It's quite okay. For the past eight months, we have been wearing khakis rather than fatigues. I think that we will never need to wear fatigues here in Manila.

[Taruc] For the information of our civilian listeners, when and why does the military wear fatigues?

[Abadia] When one wears fatigues, that means that he is preparing for operation. However, if everything is peaceful then there is no need for fatigues.

[Taruc] So this means that in the past eight months, you never encountered any threat, danger, or anything that might concern our citizens.

[Abadia] As a matter of fact, in the past eight months, we have never had any kind of alert—no red alert, no red alert. So there may be no problems.

[Taruc] General Abadia, we would also like to dismiss all the uncertainties in the minds of our people; in the past few days there have been a lot of coup rumors....

[Abadia, interrupting] There is nothing to that.

[Taruc] What explanation can you give to our people on this matter?

[Abadia] Maybe those people who are thinking negatively are the ones spreading these coup rumors. These rumors are really nothing.

[Taruc] Do you have any clue as to how the rightist rebels are now moving, especially regarding the coming election?

[Abadia] We have not picked up anything from our intelligence agency on threats from the rightists, the leftists, or the ones in the middle.

[Taruc] General, how would you assess the present problem with the rightists and the leftists? Which concerns the Armed Forces more?

[Abadia] Our long-term problem are really the leftists, the Communist Party of the Philippines-New People's Army-National Democratic Front [CPP-NPA-NDF]. Those on the right are only a few. There are only very few of them who are left in the underground.

[Taruc, interrupting] Aside from this, you are also conducting several peace initiatives with the rightist rebels....

[Abadia, interrupting] A peace initiative which bore a little bit of success. I cannot say that it has been totally successful since our brother, Gringo Honasan, has still not surfaced.

[Taruc] Okay. The deadline for Gringo Honasan has ended. And since 23 November, if we are not mistaken, the military authorities have launched an operation in search of him.

[Abadia] That is correct. Plus, we saw each other on the eve of the 22d—that was before the deadline—and when we parted ways I said that both of us will just have to do our best. He does his best to hide and we will do our best to hunt him down.

[Taruc] So on the night before the deadline, you had a personal meeting....

[Abadia, interrupting] We had a personal.... [Abadia changes thought] *As a matter of fact,* we even had dinner.

[Taruc] *Would you be in a position* to tell our listeners where this meeting took place?

[Abadia] Well it happened just somewhere.

[Taruc] Okay, General, as you may know, if we are not mistaken, former Colonel Gringo Honasan might be listening to our discussion right now. Maybe you have a message you would wish to convey to Gringo [Honasan]?

[Abadia] As I have said time and again, and I have repeated this so many times, since our Armed Forces and our country is now suffering, maybe it is about time that we should think about what is good for our Armed Forces and our country.

[Taruc] You were quoted as saying that the door is still open for former Lieutenant Colonel Gregorio Gringo Honasan....

[Abadia, interrupting] That is correct, but the arrangements would not be the same. In the past, I told them that if they returned to military control, they would be under my custody. But now if they surfaced, that arrangement would not apply.

[Taruc] There would be some changes?

[Abadia] There would be changes. Of course, I would listen to the orders of those higher than I—Secretary De Villa and the president.

[Taruc] General, when you started this peace initiative with the rightist, or so-called rightist, rebels in the military, you released several captains, lieutenants, and other officials. What is the effect of this release at the moment? Could we say that has been beneficial or detrimental?

[Abadia] It has been beneficial. Regarding those lieutenants whom I have released to their respective commander, I still have not heard of any unwanted incident. *They have been behaving very well; true to their promise that they will be acting like officers and gentlemen.*

[Taruc] *Are they being closely monitored by the authorities, General?*

[Abadia] *That's correct. I told them quite frankly that we have to watch them and that they should not feel bad about it because it's just normal that we have to watch them.*

[Taruc] General, Senator Juan Ponce Enrile issued a statement yesterday that there might come a time when there will be a mass arrest of corrupt government officials. You know Senator Enrile sometimes also receives intelligence reports which may have sound basis.

[Abadia] I am presently the chief of staff of the Armed Forces and yet I have not heard of such a plot nor have we received any instruction from higher ups to do so. I really have no idea where he got this information. So to my countrymen, I am telling you not to be disturbed. Your Armed Forces does not have any such plan.

[Taruc] There are also the rumors of Oplan Noel [Operation Plan No Elections].

[Abadia] I really have no idea where these rumors come from. They are not in our intelligence information. It was never mentioned; they just surfaced suddenly. Maybe.... [Abadia changes thought] And Joe, there have been a lot of negative ideas going around. I really do not know. We at the Armed Forces are the only ones with positive ideas.

A lot of people have been saying that there will not be an election. A lot of them have been saying that the elections would be bloody. But for us at the Armed Forces, we can only tell them that we are going to have a good election; we are going to have a credible election; we are going to have an orderly transfer of power from one government to another. But people from the other sectors are thinking negatively.

[Taruc] It looks as if there has been a reverse in the situation; it is now the military which is spreading positive news....

[Abadia, interrupting] That is right. So maybe I should tell our countrymen to stop thinking negatively. It would not be nice if a lot of people would be thinking negative thoughts. *There would be a lot of anxiety for our people for nothing.* [passage omitted]

[Taruc] One of our countrymen's fears at present is the resurgence of politicians using private armies. Have you identified the areas where this might happen?

[Abadia] The lead agency on that matter is the Philippine National Police [PNP]; however, we are ready to help the PNP to solve this kind of problem. For the moment, we still have not received *very positive intelligence information about private armies. We will not tolerate.... [Abadia changes thought] I think the government.... [Abadia changes thought] I think the PNP and the AFP will never tolerate the private armies. Of course, we have a realty of the biggest private army in the Philippines, which is the NPA. And the NPA will use their coercive influence on some parts of the country and we are prepared to thwart that plan of the NPA.*

[Taruc] General, *in general,* how would you assess the unity within the Armed Forces? Are there still faction which used to exist before?

[Abadia] Those factions no longer exist. There are 10 remaining in the underground. But I cannot say that the AFP is united 100 percent. There are still 10 which are at large. *I can truthfully say that we are united if the 10 remaining people in the underground will come out.*

[Taruc] Regarding your problem in insurgency, we have noticed that almost everyday we have encounters in different parts of the country and even up to now there is still an ongoing encounter in Mindanao.

[Abadia] It is just normal because we have already pinpointed the possible priority areas for 1992. I can say that we still have a problem in Cordillera, some parts of Bicol, Samar, Northeastern Mindanao, part of Davao, part of Panay, a little part of Negros. These are the areas that I still consider a problem when it comes to insurgency.

[Taruc] Are you making an all out offensive operation against these areas?

[Abadia] All out offensive in all aspects and not only in combat. Our offensive includes awareness and public information programs to the barangays. These communist ideologies have been renounced by the whole world. Our friends in the remote areas are not aware of this thing. Those who know are the intellectual ones only. Therefore using the dialects such as Tagalog, Visaya, Bicol, Ilocano—we wanted to relay to our countrymen in the remote areas that now is the time we should think that the communist ideology is not the solution to our problems. All from Germany, Czechoslovakia, Poland, Albania, Rumania have already renounced it, and even in Russia it is being renounced.

[Taruc] Okay General, regarding the request of the CPP-NPA-NDF to have a long term cease-fire during the Christmas season and to have a longer cease-fire period. *You recommended for only 48 hours during Christmas time and another 48 hours during New Year's time.*

[Abadia] *That is correct but there is a new directive from our commander in chief, the president.* Yesterday she gave me a directive to make the cease-fire for 72 hours.

[Taruc] So 72. From 48 to 72.

[Abadia] *Forty-eight to 72. And we are going to iron out the details with Secretary De Villa so that we can firm up from what hour and date [the cease-fire will be held].*

[Taruc] So it is not yet confirmed as to what time?

[Abadia] Not yet. Maybe tomorrow we can firm it up.

[Taruc] So from 48 hours it will change to 72 hours during the Christmas period and 72 hours on New Year's Day. General, we have a question regarding Nur Misuari. Is it true that Nur Misuari is returning to the country?

[Abadia] We have received information that he is coming back to Jolo. Even now, we have an unwritten cease-fire with the MNLF and the Moro Islamic Liberation Front. As long as he does not violate the law of the land then it is alright.

[Taruc] Based on your intelligence report, what was the reason behind Misuari's decision to return after four years in exile?

[Abadia] I do not know. Maybe he wants to be a candidate.

[Taruc] Also, you made an announcement that he will not be arrested as long as he does not have any armed bodyguards with him.

[Abadia] Yes. It is true. If he comes here like an ordinary citizen then it is alright.

[Taruc] So when will the military start to move against Misuari when he arrives?

[Abadia] As of now these are just rumors and we do not have definite information that he is really coming back to the Philippines.

[Taruc] So you are just making preparations just in case he comes back.

[Abadia] Yes. I have talked with General Yap, commander of the Southern Command, and told him to make the necessary preparations. [passages omitted]

Land Mine Kills 7; MNLF Held Responsible

HK1512071591 Manila DZXL Radio Mindanao Network in Tagalog 0700 14 Dec 91

[By Bebot Dakida]

[Text] Seven civilians died due to a land mine in Basilan. According to a report from Basilan, the seven victims were in a Toyota land cruiser owned by the Match Development Corporation [Madeco] when it hit a land mine at Sitio Look Basil, Barangay Kana, Sumisip, Basilan, last Wednesday. The police identified the casualties as Roger Daimba, chief security officer of Madeco; Roberto Aguirre, driver; and Elmer Castillo, Leopoldo Lapig Jr., Roberto Maseto, Arnulfo Laceta, and Joan Tadjide—all employees of Madeco.

The Philippine National Police [PNP] suspect that Moro National Liberation Front [MNLF] terrorists, headed by Abdul Bukin Tanguige, alias Commander Talib Congo, were responsible for planting the mine. Congo allegedly got infuriated when Madeco and another company based in Basilan refused to pay the monthly taxes that the group was asking for. In retaliation, the MNLF planted land mines along Sumisip Highway where the companies' vehicles pass everyday.

Up to now, the PNP is still combing Basilan and nearby areas for the terrorists.

Heavy Fighting Reported in Agusan

HK1712003491 Manila MANILA BULLETIN in English 17 Dec 91 p 8

[By Mike Crismundo]

[Text] Prosperidad, Agusan del Sur—Heavy fighting between government forces and communist guerrillas flared anew yesterday across three fronts in this town.

The continuing clash prompted 4th Infantry division chief Brig. Gen. Quintin Alcudia to field more troops to the war zone.

The reinforcing Army combatants are coming from Misamis Oriental.

The fighting entered the fourth day yesterday. As of press time yesterday, at least seven government troopers were killed by mortar and recoilless fire from the enemy column. Five other soldiers, including two army officers, were seriously wounded.

Village residents who evacuated from the battle zone to the town proper also reported that over a dozen men were already killed on the rebel side and many, including an NPA [New People's Army] woman commander, were seriously wounded.

Reported killed on the government side, Sergeants Abasilas, Suarez and Bernaldez and Corporals Perez and Almogez. Their first names were not immediately available.

The wounded army officers were Captain Caro and Lieutenant Avines, all of the 8th Infantry Battalion. Identities of others were not available.

Brig. Gen. Renato Garcia, 401st Infantry Brigade commander and Agusan del Sur Philippine National Police [PNP] Superintendent Acmad Omar, said the heavy fighting yesterday occurred in New Visayas, La Union and Mifil, about 12 kilometers southwest from here. The fighting lasted for three hours.

Mifil, a reported NPA stronghold, was captured by the PNP teams supported by V-150 commando vehicles and the 401 Brigade headquarters support company, Garcia added.

As this developed, Garcia set up blocking forces in Cecilia, Moretola, Mahatag, Maislagan and Maaton, all of this town, and tried to encircle the enemy position.

Garcia said the rebels come from the combined forces of the main regional guerrilla unit (MRGU), Kamandag [Venom] force, PUlahang Daga Bagane Yunit [Red Daga Bagahe Unit] (PDY) force, and sub-regional guerilla unit (SRGU) Karoda, force under Francisco Mejorada and rebel priest Francisco Navarro.

They are armed with 90-mm mortar, 90 recoilless rifle, M-60 machine guns and other sophisticated weapons.

Columnist Views Fall of Political Institutions

HK1612053791 Manila PHILIPPINES NEWSDAY in English 16 Dec 91 p 10

["Turn of Events" column by Francisco S. Tatad: "First the presidency, then the Supreme Court, now the Senate"]

[Text] Everything is falling apart. One after another, our political institutions are crumbling from within, and even as we prepare for the May 1992 national elections it is doubtful that we would produce a new government that could at the end of the day restore half of the original vigor of these institutions.

1) The first of these institutions is the presidency.

Once a powerful office that could effect far-reaching changes in the country, it is now the seat of powerlessness and mediocrity. It has shrunk from being the mightiest office in the land to that of a lowly clerk's. It is now only as competent as its present occupant, President Aquino, who could not even get an administration-negotiated treaty past the predominantly pro-administration Senate or win a straw vote for her favored presidential aspirant in the ruling LDP [Struggle of Filipino Democrats].

Because of the way the presidency has been devalued and debauched, clerk minds who have no understanding of how the society or the state works and morally depraved and mentally unbalanced individuals who have no right to pursue even an infinitely lesser public office have nominated themselves for the job. And because of the sheer number of aspirants who may end up as candidates, there is the very real prospect of our ending up with a president-elect with no more—maybe less—than 20 percent of all the votes.

In the past, presidential elections were a contest for the majority vote. In 1992, it could become a contest for 20 percent of the votes. This would give us a president-elect without a mandate, and whose election would be questioned as fraudulent by all his losing opponents. Election is not certain to be followed by proclamation, and proclamation is not certain to be followed by inauguration or assumption into office. In this respect, rumors about "Operation Noel" (for No Election) begin to gain some credibility and relevance.

2) The second institution we must discuss is the judiciary, specifically the Supreme Court or the office of Chief Justice. It took Associate Justice Teodoro Padilla to tell us how the Supreme Court has been compromised by the decision of Chief Justice Marcelo Fernan to seek the presidency while still serving as Chief Justice. Padilla's motives have been questioned, but his motives have no relevance to the point he makes. Fernan committed an offense against the court and his offense is not diminished by the fact that it was an associate justice that first raised the point.

If a major political party, facing a shortage of qualified presidential candidates, had drafted the Chief Justice and the latter accepted the draft, it would not have been fair to fault him for entering the race. But there has been no draft. It was Fernan who sought the possible nomination of the Liberal Party, then the LDO, and only after he was denied by both parties did he announce the formation of his so-called Union for Progress to serve as a vehicle for his candidacy. Through all this time that he was maneuvering to be drafted,he was a Chief Justice who had no business getting involved in partisan politics.

But the more vital question goes beyond mere propriety. Without a political party, without an active political constituency, without any identification with any active political cause, without any money of his own to fund a national campaign, and without any public clamor for him to run. Fernan suddenly materializes as a candidate, with a reported P1 [Philippine Pesos] billion in his kitty. Why? How did it happen? Whose candidate is he? What foreign or domestic interests are behind his candidacy?

Big political money is usually smart money. It usually comes in only when it becomes clear that the candidate is going to win. In Fernan's case, the money was reported to have come in before he announced his bid—in fact, it appears to be part of the reason why he had the courage to announce his bid.

Now, there is no one in Makati or in Cebu, alone or in combination with others, who will advance P1 billion for a very uncertain candidacy. Where did the money come from then? Whose soul did he have to sell for it?

The answer to this question could involve the nation's patrimony.

3) After the Supreme Court, comes the Senate. Thanks to the majority, it is now in disarray too. Until the debate on the bases treaty, which it rejected by a majority vote, the Senate meant nothing to the average Filipino. But if Malacanang is Mrs. Aquino's realm, the Senate is Jovito Salonga's, and this did not always bring comfort to Mrs. Aquino.

In the last five years one obvious concern of the Cojuangco-Aquino clan was how to defang Salonga at the proper time so that he could mount no serious effort to succeed Mrs. Aquino. Several times Salonga had been rumored to be on the way out, and each time the rumor subsided. But last week 14 senators, including some who had been very close to Salonga, moved against him.

They announced their decision to oust him on the eve of the last day of their session prior to the Christmas recess. But on the day they were to formalize their resolution, they failed to show up at the Senate. With only nine of the 23 senators present, Senate Minority Leader Juan Ponce Enrile raised the question of a quorum, and Salonga adjourned the session until January 13, 1992. Hours later, the majority convened a "rump session" during which they ousted Salonga and replaced him with Neptali Gonzales.

No one questions the right of the majority to change the Senate president. In fact, they do not have to provide any reason for it. Gonzales is right when he says that in changing the officers of the Senate, it is enough for the majority to move a motion of no confidence, and that the motion need not be accusatory or pejorative. But to convene a rump session for it! Why so much indecent haste?

Salonga has bowed to the majority, and a compromise agreement allows him to remain as Senate president until January 1, 1992. After that, the Senate will be the LDP's. But this is not going to save the Senate. The

Senate promises to be completely undone in the next campaign, courtesy of the system of one-man, one-vote.

This early, the political prophets promise us that the Senate slate will be dominated by movie actors, radio and TV personalities, and basketball stars who have decided to cash in in the country's biggest business—government. Names like Tito Sotto, Ramon Revilla, Freddie Webb, Robert Jaworski are among those prominently mentioned. With the actor Senator Estrada running for president, we might yet end up with a government whose primary, if not exclusive, product is entertainment. It is the height of the trivialization of our politics and the idiotization of our electorate.

In a closed and authoritarian society, one may be able to prohibit or prevent these characters from landing elective positions in government. But in a free and open society, we are at the mercy of the one-man, one-vote. Since we cannot prohibit the Sottos and Revillas and Webbs and Jaworskis of this country from running for the Senate, we must now prohibit anyone who is not a movie actor, a media personality, or a basketball star from running for the Senate.

Thailand

Prime Minister Holds Talks With U.S. President

BK1812150791 Bangkok Army Television Channel 5 in Thai 1230 GMT 18 Dec 91

[Text] Prime Minister Anan Panyarachun held official talks with U.S. President George Bush at the White House. The talks have further strengthened relations between Thailand and the United States. A Thai TV pool correspondent reports the following details via satellite:

At 1130 local time on 17 December in Washington D.C., Prime Minister Anan Panyarachun called on U.S. President George Bush at the White House for official talks. On the occasion, President George Bush allowed Thai correspondents to take pictures. At that time, President Bush told correspondents that he has known the Thai prime minister for a long time, as he was the permanent representative of Thailand to the United Nations in New York. The prime minister was regarded as a very capable for that post. He has used his capabilities for achievements that has been recognized worldwide since he became the prime minister. After the meeting, foreign and Thai correspondents who were waiting in front of the White House asked the prime minister about details of the meeting between the two leaders. The prime minister said they had discussed the direction of the political situation of every part of the world. In addition, they also discussed economic relations and cooperation between Thailand and the United States.

[Begin Anan recording in progress] ...we discussed general issues and relations between Thailand and the United States. In fact, there are not much problems in Thai-U.S. relations. The President showed an interest in and asked about [words indistinct], especially the process in the restoration of democracy. [end recoding]

After that, the prime minister travelled to the CNN [Cable News Network] office for a special interview. After returning to his hotel, the prime minister granted another interview to Thai TV pool correspondents on his meeting with the U.S. leader. He said they discussed about events in the Soviet Union, Eastern Europe, and Cambodia and about how the situation would improve. Moreover, the two sides also talked about the situation in Asia and the Pacific. They shared identical views that the situation in the region is very good and the atmosphere conducive for economic cooperation. The prime minister told the U.S. leader that Thailand maintains good relations with its neighboring countries. Thailand is expected to become a economic center in this region in the near future. The prime minister said that U.S. investment in Thailand was considerably high and that more U.S. investments in Thailand would be welcomed. Regarding the issue of intellectual property rights, the prime minister explained to the U.S. leader about the Thai Government's effective measures to settle the problem. The U.S. leader listened to the prime minister's explanations and did not make any comment. The issue is expected to be settled in the future.

The prime minister also said he thanked President Bush for the warm and honorable reception accorded to her majesty the queen during her visit to the United States. At that time, President Bush was scheduled to travel for a meeting on the Middle East issue in Madrid. But, he changed his schedule just to welcome her majesty the queen.

After the interview, the prime minister left for the airport for Los Angeles. He is scheluded to meet with Thai residents in Los Angeles tomorrow, his latest major task before returning to Thailand.

Prime Minister Defends Election Watchdog Proposal

BK1712032991 Bangkok THE NATION in English 17 Dec 91 pp A1, A2

[Text] Prime Minister Anan Panyarachun has defended his proposal to set up a watchdog agency to monitor the next general election, saying the idea was simply in line with the military's promise to allow a neutral body to observe the poll.

Speaking to Thai residents in the United States on Sunday, Anan noted that the National Peacekeeping Council pledged after staging the Feb 23 coup to allow academics and students to take part in observing the election.

Anan's statement preceded a decision in Bangkok of an ad hoc panel vetting the Electoral Bill to exclude his proposal from the draft legislation. The committee was also divided on another controversial idea to increase the power of provincial governors and district chiefs in overseeing elections.

Anan confirmed in Washington DC that he wanted the proposed watchdog to be dominated by respected academics.

"I don't want the body to include people from the bureaucracy, or from political parties, or from the business community," Anan said.

The prime minister said he had approached a few leading academics, including Magsaysay award winner and social rights activist Prawet Wasi, Thammasat University lecturer Saneh Chamarak and Chulalongkon University's Dr Khotom Araya. Prawet and Khothom led a recent campaign to push for a more democratic constitution.

Prawet and Sane have declined the prime minister's invitation. But Khothom said yesterday he and Prawet would meet Anan to discuss the issue again when the premier returns from the United States next week.

Prawet also said yesterday he was willing to support the work of the poll watchdog.

The Cabinet recently approved Anan's poll watchdog proposal but agreed to let the interim National Assembly decide whether to include it in the Electoral Bill submitted by the Interior Ministry.

The bill passed its first reading last week and is being scrutinized by an ad hoc committee. Its second and final readings are tentatively scheduled for this Friday, said National Assembly President Ukrit Mongkhonnawin.

The ad hoc panel, set up by the National Assembly, resolved at its first meeting yesterday to to make it legally necessary to establish the watchdog agency, reasoning that the prime minister had executive powers to directly appoint the body. It would report directly to the prime minister who could act against poll irregularities.

Somphop Hotrakit, who chaired yesterday's meeting, confirmed that the prime minister was legally empowered to order action against officials accused of being involved in election fraud.

Observers have said the poll watchdog would become just a "paper tiger" unless its authority was clearly prescribed in the law.

"The prime minister can ask the superiors of official accused of poll rigging to punish them, and dismissal is a possible penalty," Somphop said.

Prime Minister Anan said in the United States last week the proposed poll watchdog would only serve on an ad hoc basis for the next general election so it was not necessary that the body's function and authority be spelled out in the law.

But politicians, academics and student activists have called on Anan to take a clearer stand on the issue. They say that without a concrete structure and authority, the watchdog would not be able to tackle government officials abusing their power in the election.

The proponents of Anan's idea apparently want the proposed monitoring agency to have some power to check the authority of the military-controlled Interior Minsitry during the next general election.

The Interior Ministry has come under criticism after rural leaders submitted more then six million signatures to the National Assembly supporting the controversial charter draft earlier this month.

The ministry denied politicians' allegations that it orchestrated the signature campaign to counter the extensive opposition to the charter draft. But news reports mentioned high-level orders forcing rural community leaders to garner as many signatures as possible to give weight to what was widely described as a pro-military draft constitution.

Critics charge that the military has shown a potential for discriminatory action against certain parties in the next election.

Concerns that the poll would not be free and fair have been fuelled by the power given to provincial governors and district chiefs under the Electoral Bill to take swift action against low-ranking poll officials suspected of siding with any particular political party.

The increased power for provincial governors and district chiefs is said to have been intended to check community leaders—especially kamnans and village headmen, many of whom were known to have adopted links with political parties. The critics, however, said the pwoer would be welcomed only when there was a safeguard against abuses by the governors and district chiefs themselves.

Four members of the nine-man ad hoc committee yesterday voiced opposition to the idea of empowering provincial governors and district chiefs to transfer or suspend "political officials", particularly kamnans and village headmen, suspected of abusing power in favour of political parties.

But Somphop and three other members said the increased power was necessary. The ninth member, Osot Kosin, is on an overseas trip.

Suchinda Views Possible Chatchai Election Run

BK1712031191 Bangkok THE NATION in English 17 Dec 91 p A3

[By Krittiya Porasame]

[Text] Military chief Gen Suchinda Khraprayun said yesterday that former prime minister Chatchai Chunhawan should make it a matter of conscience whether or not to run in the general election scheduled for early next year.

"We cannot prevent him from seeking election. It is a citizen's right and it is completely legal," Gen Suchinda said. "But surely Gen Chatchai has some political etiquette to observe."

Suchinda, supreme commander and army chief, was apparently referring to a public statement made by Chatchai in which he said he was terminating his political career after being named a corruption suspect by the military-appointed assets investigating committee.

But Chatchai vowed to fight back in national politics to "restore his family's good reputation" after he was pronounced guilty by the investigating committee of having amassed unusual wealth through dishonest means while in public office.

Speaking to reporters at the army's Artillery Training Center in Lop Buri, a grim-faced Suchinda also said the National Peacekeeping Council (NPKC) was not afraid of possible revenge from Chatchai should he manage to make a political comeback.

"If we (NPKC) are afraid of that, would we have seized power from him in the first place?" the general said. "We seized the power when he was all-powerful. What is there to fear now when he is stripped of his power?"

Asked if he thought a court verdict on Chatchai's assets would affect the ex-premier's decision to run in the general election, Suchinda retorted: "What would a verdict (on Chatchai's assets) have to do with that?"

"So you think the whole process of the assets investigation is unfair?" he said. "I can only assure you that if the court rules to have (Chatchai's) assets seized, they will be seized no matter whether he runs in the general election or not."

The general refused to further comment on Chatchai's political future, saying he did not want to infringe on a citizen's rights.

"But Gen Chatchai knows whether it is proper or not," he said without elaborating.

Suchinda, asked to comment on the warm welcome given Chatchai by Nakhon Ratchasima residents over the weekend, said it was nothing unusal because he believed Gen Chatchai as an MP had contributed significantly to the people there.

"Some might even say he was preoccupied with the well-being of Khorat people at the expense of Thai people elsewhere," he quipped.

Muanchon Party Leader To Return From Exile

BK1812013991 Bangkok THE NATION in English 18 Dec 91 p A5

[Text] Muanchon Party leader Pol Capt [Police Captain] Chaloem Yunbamrung will return from exile in Denmark to Thailand next Tuesday [24 December] to fight criminal charges even though he is uncertain that he would be granted bail, according to a statement issued by his party yesterday.

Pol Capt Chaloem said he will depart from Copenhagen, Denmark, at 10.30 pm next Monday and is schedule to arrive at Don Muang Airport the following day at 3.30 pm by Scandinavian Airlines System (SAS) Flight 973.

The statement quoted Chaloem as saying that the United Nations High Commissioner for Refugees (UNHCR) has withdrawn his refugee status.

Chaloem said he believed police officials could not rightly refuse to grant him bail by citing reasons that he may escape or that he would use his influence to interfere in his case.

He said it was unlikely he would escape. "If I wanted to do that, I would not be surrendering to police."

Chaloem also rejected outright allegations that he was an influential person. "If that was the case, why did I have to seek refuge abroad and suffer such a hard life with my wife having to quit her job and my three sons giving up their studies.

Chaloem, a former prime minister's office minister, said he decided to give himself up to police as he believed that he would be treated like other Thais with their faith in Buddhism and would have a right to post bail like anyone else.

An outspoken critic of the military, Chaloem fled Thailand after the armed forces toppled the Chatchai government of Feb 23. Local police later filed criminal charges against him in connection with an alleged plot to assassinate three leading public figures in 1982.

Police accused him of having bribed some suspects, including two former communists, in the assassination case to reverse their testimony and say a very important figure was not the target of the plot.

Chaloem said he had not fled Thailand because he had committed a crime. Police charged him after he left the country, he added.

The Assets Examination Committee announced late last month the seizure of more than Bt [bhat] 32 million of his "unexplained" assets. Chaloem said he is collecting evidence to appeal to the Civil Court soon.

Suchinda, Itsaraphong Comment

BK1812073091 Bangkok Radio Thailand Network in Thai 0530 GMT 18 Dec 91

[Text] After presiding over a ceremony marking the founding anniversary of the Military Intelligence School, General Suchinda Khraprayun, supreme commander and army commander, spoke to reporters about reports that Police Captain Chaloem Yubamrung will return to Thailand.

Asked what action the National Peace-keeping Council [NPKC] will take for the return of Chaloem, Suchinda said the NPKC will not do anything but will let authorities concerned perform their duties on their own.

Regarding the issue, Interior Minister General Itsaraphong Nunphakdi said that there should be no problem. Pol. Capt. Chaloem has a right to return home, only he will have to abide by the law.

Deputy Premier Sees 'No Problems'

BK1812102291 Bangkok Radio Thailand Network in Thai 0530 GMT 18 Dec 91

[Text] At Government House this morning Police General Phao Sarasin, deputy prime minister and acting prime minister, answered reporters' questions about reports that Police Captain Chaloem Yubamrung will return to Thailand on 24 December.

Phao said that there should be no problems affecting his return. Regarding the charges against him, police officials will take the appropriate legal measures.

He said police officials will receive him from the airport upon his arrival if they think he is guilty or if an arrest warrant has been issued.

Phao said the police will also consider whether Chaloem has decided to give himself up or has requested for bail.

Asked how long he would remain under police custody, the deputy prime minister said that would depend on how serious the charge is. If it is, the detention would be a considerable period. However, he admitted that he has not received much information about the matter.

Questioned about the possiblity of public disturbances during Chaloem's return, the deputy prime minister said he did not think there would be any. This is because Pol Capt Chaloem is a Thai citizen and he has has the right to return to his homeland. The deputy prime minister thinks no one will stir up trouble.

Cabinet Approves Purchase of Four C-130 Aircraft

BK1812044191 Bangkok THE NATION in English 18 Dec 91 p A2

[Text] The Cabinet, in an unprecedented move yesterday, approved the Air Force's request to buy four C-130 transport planes, costing about Bt [baht] 3.6 billion.

The purchase will be made under a new bureaucratic procedure in which the Finance Ministry will be empowered to secure a loan on behalf of the Defence Ministry to buy the aircraft.

The new procedure, also designed ot help minimize government agencies' accumulation of debts by shortening the maximum repayment period to five years, was acknowledged by the Cabinet yesterday.

It will be applied to all ministries with the emphasis on the Defence Ministry, which often needs huge budgets for its arms purchases.

Deputy Prime Minister Gen Phao Sarasin said the Cabinet at first did not give top priority to considering the proposed purchase on its agenda yesterday. But it was requested by the Air Force to consider the plan as soon as possible for the reason that if the purchase contract was signed next year, it was likely the price of the aircraft would rise.

The air force had said that the transport planes would be used for natural disaster relief operations and also to transport goods upcountry.

The proposed plan won approval on the same day from the government screening committees on economic and security affairs. In normal practice a proposal is usually considered on different days by the different panels.

Phao, who chairs the security screening committee, had said on Dec 11 after the plan was approved in principle by his panel in the morning that the economic screening committee had to re-consider the plan which would use a large amount of the country's budget.

The plan was then approved by the economic screening committee in the afternoon. Chief of the Air Staff ACM [Air Chief Marshal] Suthep Thepparak was present before the meeting formally began to brief the committee members on the proposal and answer their queries.

Cabinet Approves Easing Radio Frequency Controls

BK1812015191 Bangkok BANGKOK POST in English 18 Dec 91 p 6

[Text] The Cabinet yesterday approved in principle a Transport and Communications Ministry proposal to ease its radio frequency controls and to allow private possession of certain radio equipment without official approval.

The measure is aimed at liberalising the law governing radio frequency management in view of the rapid development of technology.

To prevent the law being an obstacle to use of new technology, the Cabinet agreed to empower the Transport and Communications Minister to issue regulations to allow private possession of certain radio equipment with official permits.

The ministry is also to draw up clearer regulations governing the use of specific types of radio equipment which need official permits and to set the duration for which permits will be valid.

Radio station owners must obtain official licences and abide by regulations of the Post and Telegraph Department.

The minister is empowered to regulate fees charged for radio frequencies rented out to the private operators.

Post and Telegraph Department officials will also be empowered to arrest violators, according to the Cabinet's resolution.

The penalty for violators will be adjusted to meet prevailing conditions.

Minister on Signature Support 'Irregularities'

BK1712032691 Bangkok THE NATION in English 17 Dec 91 p A2

[By Nopphon Wong-anan]

[Text] The Interior Ministry yesterday admitted it would be unable to convince the public that it had nothing to do with the gathering of more than six million signatures to support the passage of the draft constitution.

"Nobody will believe me no matter how I deny having nothing to do with it," Permanent Secretary for Interior Anan Anantakun said. "But time will tell that the Interior Ministry is not dictatorial."

Anan made the statement after seeing an article in THE NATION which pointed out irregularities in the supporters' signatures.

The names and signatures of 6,856,280 draft supporters were submitted to National Assembly President Ukrit Mongkhonnawin by Lt Gen Phaibun Hongsinlak, commander of the first Army region, and a senior interior official.

However, close scrutiny of the lists of names by reporters from THE NATION left little doubt that it was a rather crude fraud.

Hundreds of signatures taken from sample lists were obviously one person's handwriting. Some signatures did not correspond to the names while others were in the handwriting of educated rather than poor rural people.

THE NATION last week visited a village in Phu Sing sub-district of Sisaket where, according to the lists, 60 residents signed. But it does not take an expert to see that signatures were the work of just one person.

Even more astonishing, THE NATION could not find any of the signatories. Their relatives said they had left for jobs in Bangkok.

Earlier yesterday, Anan would not comment on suspected irregularities in the signatures. He walked away when asked about the matter.

After seeing the article, the permanent secretary said the ministry had never ordered its officials to garner villagers' support for the draft charter which was passed last Saturday week.

Anan said the Local Administrative Department [LAD] director general had not given such an order either.

But early this month, a community leader in Ubon Ratchathani, Pratha Chatwongwan, showed a letter sent by an assistant district chief of the northeastern province's Muang District to community readers, requesting them to gather villagers' signatures to support the draft charter.

LAD Deputy Director General Kamon Prachupmo seemed to have an answer for the alleged irregularities in the signatures. He blamed canvassers of political parties for the apparent signature forgery in the name lists.

"It was the canvassers who sent us the signatures," Kamon said. "Those canvassers wanted the general election to be held as soon as possible so they tried every means possible to garner the signatures for us."

Kamon said the unidentified canvassers might have been in too much of a hurry to collect the signatures, so some of the names did not correspond with the signatures.

Also yesterday, Bangkok Governor Chamlong Simuang said it was impossible that the more than six million signatures could be acquired in a short time.

"You don't have to closely look at the handwriting; you can guess what has been going on," the Phalang Tham Party leader said. "How could over six million signatures be acquired within a few days?"

"I am sure that 'several persons' have been deceived (with the lists)," Chamlong said without elaborating on who the persons were.

Daily Considers Chat Thai Party's Future Role

BK1512040691 Bangkok THE NATION in English 15 Dec 91 p B2

[by Charoenlak Phetpradap]

[Text] Politics in Nakhon Ratchasima, one of Thailand's biggest electoral zones, is livening up again with ousted prime minister Chatchai Chunhawan's decision to stage a political comeback.

After Chatchai was toppled in the Feb 23 coup, his Chat Thai Party's domination of the northeastern province, his political base, seemed to be in peril. His vow to quit politics for good and the party's deteriorating image, tainted by corruption charges brought by the new powerholders, left the biggest political camp before the military takeover in disarray.

The emergence of two new parties with bright poll prospects—New Aspiration and Samakkhi Tham—attracted many low-spirited Chat Thai members, including some former MPs of Nakhon Ratchasima. At times it seemed Chat Thai's stronghold in the province could collapse in a matter of days.

But some recent developments combined to revitalize the party's strength in the province which offers 15 parliamentary seats and is considered a gateway for attempts to make political inroads in the Northeast.

Analysts say the most important factor contributing to the revival of Chat Thai is the untimely ruling by military-installed investigators declaring Chatchai to be "unusually rich". His alleged ill-gotten assets, worth Bt [bhat] 226.5 million, will be seized by the state if he fails to successfully appeal against the ruling in court by next January or his appeal is rejected by the Supreme Court.

The ruling came at a time when the military's credibility had sunken to its lowest, making its apprent attempt to regain lost popularity by trying to fulfil an anti-corruption pledge backfire drastically. Chatchai, who was portrayed as a seriously-corrupt politician after the coup, is now seen as a victim of political persecution.

Veteran Chatchai obviously sensed the changing public feelings, which are no longer seeking to punish bad politicians but are now focusing on the military's back-tracking on its pledge to restore genuine democracy.

"I will fight back," declared Chatchai, who was formally replaced as Chat Thai leader by ACM [Air Chief Marshal] Sombun Rahong, a man with strong military connections, shortly before the corruption ruling.

But Chatchai has ruled out the possibility of him returning to the Chat Thai helm. He also stopped short of committing himself to run in the next general election.

"If I'm to stand in the next election, I will run as an ordinary party member," Chatchai said. He reiterated that he had not yet made up his mind to contest the next poll.

His vague "comeback" pledge was enought to stir the sensitive political scene, especially local politics in Nakhon Ratchasima. Observers believe Chatchai will eventually decide to run in the next election if he is really determined to protect his name.

For Chatchai, an election victory in Nakhon Ratchasima will most importantly serve to snub the summary corruption ruling, the analysts say.

The Chat Thai Party won six seats in Nakhon Ratchasima in the previous general election in 1988, the biggest haul. The Democrat Party and the Puangchon Chaothai Party won three seats each, while two seats went to the now-defunct Prachachon Party and one to the Rassadon Party.

"If Gen Chatchai is to run in the next election, it has to be Nakhon Ratchasima," said Chamlong Krutkhunthong, a former Nakhon Ratchasima MP of the Pungchon Chaothai Party. "And if that happens, I believe the Chat Thai Party can win as many as 10 seats in the province."

Another key factor brightening Chat Thai Party's poll prospects is the interim legislature's decision to maintain the old electoral system in which voters choose individual candidates. The decision apparently pre-empted possible defections by veteran politicians from several parties, including Chat Thai, to the newly-formed Samakkhi Tham Party.

Pro-military Samakkhi Tham had pushed for the controversial party-slate electoral system, which obliges voters to choose party teams instead of individuals. The party hoped the veterans it was recruting could drag along weaker candidates into Parliament in the election.

The military's dwindling popularity and the rejection of the party-slate system prompted many potential defectors to have second throughts, including some former Nakhon Ratchasima Chat Thai MPs.

If Chatchai decides to run in Nakhon Ratchasima, he will face a formidable rival whom he has tried to court, Suwat Liptaphanlop of Puangchon Chaothai.

Suwat and Chatchai were elected MPs of the province's Constituency 1 in the 1988 election, but the former beat the latter by more than 35,000 votes.

After that election, which installed Chatchai as the first elected prime minister in 12 years, the Chat Thai Party tried unsuccessfully to woo Puantchon Chaothai for a merger. One objective of the approach was to avoid a future Chatchai-Suwat confrontation in Constituency 1.

Speculation about a Chat Thai-Puangchon Chaothai merger or alliance intensified again after Chatchai announced his comeback bid. Puangchon Chaothai leader Athit Kamlang-ek, however, confirmed in a rally leaflet last week that his party would go it alone in the next election.

Observers say that both Chatchai and Suwat would absolutely be elected in the next poll regardless of whether they run under the same party banner or not. But it is more difficult to predict who would win the third and last seat in the constituency.

Chat Thai will certainly field Col Thoetrit Bunyarat, who has a good chance of winning. Another favourite candidate is Boontueng Pholpanit, a former Ratsadon Party KMP who has joined the New Aspiration party.

Constituency 2 has been a thorn in the side of Chat Thai in its attempt to dominate the province. All Chat Thai candidates failed there in the 1988 poll. The three seats were shared among the Democrat, Prachachon and Puangchon Chaothai parties.

Considering the results of the previous election, no party has established a permanent base in Constituency 2. Chat Thai may try once again to assert itself, but it would likely have to compete with the New Aspiration Party [NAP] which has proved to be no less financially strong. The NAP is expected to field Gen Panya Singakda, former secretary-general of Chatchai. The two other possible NAP candidates are Sanan Phayakkun and Pol Lt Col [Police Lieutenant Colonel] Somchai Phetprasoet, former police chief of Nakhon Ratchasima's Pak Chong district.

Puangchon Chaothai's Chamlong will once again raise his party's flag in Constituency 2.

Chat Thai seems to be guaranteed a seat in the province's Constituency 3. The party's candidate, Sakun Sriphrom, came first in the previous poll, capturing more than 80,000 votes.

No party can match Thai Thai in NakhonRatchasima's constituency 4. Foremr PM's Office Minister Kon Thappharanga, Chatchai's nephew, is certain to lead a Chat Thai team to make a clean sweep once again in the area.

Kon and two other Chat Thai candidates, Wirat Rattanaset and Lamphong Philasombat, won more than 100,000 votes each in the 1988 election.

The fifth and last constituency will be one of the hottest battle grounds in the area. It was dominated by two Democrats, Niphon Promphan and his younger sister Sisakun Techaphaibun who wonmore than 100,000 votes each in the previous poll. Chat Thai's Sukhum Laowansiri came a distant third with 75,000 votes.

Sisakun brushed aside the influence of Chat Thai's Kopsak Saphawasu when she won the 1988 election. Kopsak is expected to seek revenge for that defeat in the upcoming poll.

Under the curent circumstances, the Chat Thai Party looks ready to offset some of its recent setbacks by maintaining one of its strongest political bases. Ironically, the corruption ruling against Chatchai has given the party an unexpected opportunity to start rebuilding its coup-shattered house.

Samakkhi Tham Party's Role in Government Examined

BK1512005591 Bangkok BANGKOK POST in English 15 Dec 91 p 4

["Weekend Analysis" by Soemsuk Kasittipradit]

[Text] Samakkhi Tham Party [STP] leaders remain confident the party can play a key role in forming the next coalition government despite reports that major changes to the Constitution and recent political developments could lead to the defection of a large number of members.

"You can see the earlier press reports were wrong judging from today's meeting at which all the party leaders repledged their loyalty. Not one has left," said STP secretary-general Sqn-Ldr [Squadron Leader] Thitti Nakhonthap at the party's first executive meeting last Thursday.

Forty-three of the 45 executive members attended the meeting.

The STP is known for its close links with the National Peace-keeping Council [NPKC]. Senior party members have made it clear they would support the appointment of Supreme Commander Gen Suchinda Khraprayun as the next premier if the STP formed the core of the next government.

The party's strength is widely recognised by political observers following its success in recruiting former parliamentary members, most of them from the North and Northeast. The former MPs were told the NPKC supported the STP's proposal to use a party-slate electoral system at the next general election.

"We did not expect such a strong demonstration from the public and this caused the NPKC to reverse its stance," said one political source close to the NPKC.

The constitution committee last month dropped the party-slate system from its original plan at the last minute in favour of the old system which allows voters to elect individual candidates in each electorate.

The incident surprised many STP members as the leaders had given assurances such a change was impossible in the current political climate.

Members were also tole the NPKC's interests were protected under the party-slate electoral system as it storngly favoured the STP.

"How can we believe this?" asked one former northeastern MP, referring to claims by senior STP leaders that the party had the NPKC blessings. The former MP said he was considering leaving the STP to join the New Aspiration Party [NAP] of Gen Chawalit Yongchaiyut.

"You have absolute power in your hands, but you cannot do anything about the electoral system. How then can they expect us to believe the party still has the support of the NPKC?" he asked.

Political observers agree the old electoral system gives each party the same chance in the election, meanign the NAP could gain a large number of parliamentary seats.

While there was disappointment among some STP members, others still have faith in the party and do not believe the political tide will turn against them.

A senior member said the provisional clause in the Constitution giving senators, who are appointed by the NPKC, censure powers over government meant the NPKC still held the fate of the next government in its hands.

The NPKC has come under heavy criticism from academics for hanging on to this power.

"Do you think the NPKC will allow big Chiu (Gen Chawalit) to become premier after the election?" asked a former three-time MP from the Northeast. "Is this political scenario possible?"

An STP executive member admitted some party members might leave the party to join others, but this woudl have little impact on the party strength as key members remained loyal to the party.

The presence of key STP members at the party executive meeting last Thursday was seen as a sign of their determination to overcome recent political developments damaging to the party.

There are two factions are Sqn-Ldr Thitti's group, which composes several independent former MPs from the Northeast, and the Prachathipatai group led by former foreign minister and deputy leader of the Social Action Party, Subin Pinkhayan.

Mr Narong's claim at the meeting that the party would win about 100 seats at the next election was considered "a political dream" by local observers. They said a more realistic number was no more than 50.

"Your should not underestimate the NAP's popularity in the Northeast," said one observer. "And under an electoral system in which voters can elect individual candidates, the NAP has a good chance."

The STP and the Chat Thai Party, which captured most votes at the last election, earlier agreed to form a political alliance aimed at thwarting the NAP's ambitions to become a partner in the next government.

Sqn-Ldr Thitti is confident the two parties will form the core of the next government.

Observers say the political situation after the elections could turn explosive if Chat Thai changed its mind and joined the NAP to form the next government.

"Such a thing is unlikely to happen as Chat Thai appreciates the political consequences which would follow if there was such cooperation," and STP executive member said confidently.

"You should not forget the 270 appointed senators belonging to the NPKC. This would help guarantee the political tide does not turn against it."

Central Bank Chief on Economic Improvement Plan

BK1812034491 Bangkok Radio Thailand Network in English 0000 GMT 18 Dec 91

[Text] The improvement in the efficiency of financial institutions and instruments will be the main economic policy of the Bank of Thailand next year.

Governor of the Bank of Thailand Wichit Suphinit says the improvement plan will pave the way to the development of Thailand's money market, thus enabling the country to become a financial center of the ASEAN region in line with the Government's policy and intention.

Regarding the present economic situation, the governor says the country's overall economy this year has grown at a satisfactory rate of 7.9 percent, compared to only 5.7 percent of the ASEAN economic growth rate.

He says the outstanding export performance is the main contributing factor to the high growth rate, while the inflation is at a manageable level. Agricultural production this year has grown by 3.6 percent.

The governor predicts that Thailand's economy would expand by 8.1 percent next year with increase in exports while investment would slow down.

Commerce Official on ASEAN Free Trade Area

BK1512035891 Bangkok THE NATION in English 15 Dec 91 p A4

[by Atchara Phongwuttaitham]

[Text] Chomthian—A senior Thai trade official warned that some ASEAN countries might seek alternative partners with whom they could enter into special trading arrangements if the governments of the regional grouping fail to endorse the Thai initiative to create a common market.

Although he did not mention Thailand, it was understood that Prime Minister Anan Panyarachun and his Cabinet have tried hard to convince their ASEAN counterparts to speed up the process of market integration among the six countries.

Phatchara Itsarasena, permanent secretary of the Commerce Ministry, said yesterday that ASEAN would have to hurriedly agree on the formation of the so-called ASEAN Free Trade Area, which the Thai premier initiated to counter the emergence of regionalism in North America and Europe and to maintain the strength of ASEAN's export and investment sectors.

Without such a common market, the regional grouping might not be able to weather the rising trend of protectionism in major export markets and compete with other countries for investment and trade, Phatchara said.

The heads of governments from Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand which together form the Association of Southeast Asian Nations (ASEAN) will meet in Singapore from Jan 27-28 to set the direction for economic and social cooperation within the region. Topping the agenda will be the Thai proposal to set up the regional free trade zone among the six countries.

Phatchara's statement yesterday sent a signal to other ASEAN countries, some of which are reportedly tardy about endorsing the Thai proposal despite the consensus arrived at by the ASEAN economic ministers to adopt the idea in October.

The official, however, expressed optimism that in the end ASEAN would be forced by internal and external factors to move closer to a single market in which the flow of trade and investment among the six countries would be freed.

At present, some member countries may consider the deadline for achieving the free trade area within 15 years as too tight, he said, because of the varying degrees of economic development of the nations in the region. This factor has been interpreted to mean that the member countries do not have a genuine intention to establish a common market, Phatchara added.

Taking this into acocunt, the final draft proposal which will be considered by the heads of state in January will provide different timeframes to achieve free trade in each sector. Industries which are more sensitive politically, socially and economically in any member country would be given sufficient time to make adjustments, Phatchara stressed.

Despite the initial reluctance, Phatchara said ASEAN would finally agree to the Thai proposal given the over dependence of these countries on a few specific markets for trade and investment.

Thailand for instance exported 65 percent of its products this year to the United States, the European Community and Japan. If the Community and the U.S. which are forming their own exclusive free trade zones decide to restrict imports form non-members, Phatchara said Thailand's export would be in jeopardy. Japan would not be able to substitute the two dominant markets, Phatchara said.

At the same time, ASEAN has been highly dependent on capital investment from only a few countries such as Japan, Taiwan, Hong Kong and South Korea. However, these industrializing countries as well as the economic superpowers are shifting their investment strategies from developing countries like Thailand to industrialized ones.

The changing investment policy was aimed primarily to assist them in maintaining their footing in those markets which are increasingly restricted in the face of economic groupings worldwide, Phatchara said. Without a free trade agreement among ASEAN, the six members countries might not survive the economic and trade rivalry in the coming year.

Columnist Reviews Lao Desire To Join ASEAN

BK1612024591 Bangkok THE NATION in English 16 Dec 91 p A10

[By Kawi Chongkittawon: "Laos Leaning Closer Toward Asean"]

[Text] Laos'announcement of its desire to join Asean indicates that the landlocked country is trying to readjust to the post-Cold War era by moving beyond its frontiers to expand economic cooperation and diversify relations with the non-communist Southeast Asian nations.

Last week, Laos officially informed the Philippines, the chairman of the upcoming Asean foreign ministerial meeting in Manila, of its desire to become a signatory to the 1976 Treaty of Amity and Cooperation as the first step to become an Asean member in "a couple of years". Thus Laos has followed in Vietnam's footsteps. When Thai Foreign Minister Asa Sarasin visited Vietnam in October, his Vietnamese counterpart Nguyen Manh Cam told Asa of Hanoi's plan to accede to the treaty. Asa immediately endorsed the Vietnamese plan. So did Indonesia and Singapore.

It is possible that Laos and Vietnam will be invited to attend the Asean meeting in Manila as observers when they are admitted to the treaty in mid-1992. The treaty, which was signed in Bali in 1976 by Asean heads of government, outlines pacifist means to resolve regional conflicts and international cooperation to increase trade and economic activities. The treaty's signatories must abide by principles of peaceful coexistence.

In the near future, Cambodia is likely to make a similar plan after its Supreme National Council (SNC) holds its first meeting in Phnom Penh later this month. The delay of the SNC meeting in Phnom Penh, after a series of mishaps, has also disturbed Prince Norodom Sihanouk's diplomatic activities to highlight Cambodia's plight to the regional grouping.

With Laos and Vietnam expressing their intentions to join Asean, Asean's great fear, the Indochina Federation concept, is now becoming a thing of the past. Until recently, the non-communist countries of Southeast Asia feared that the three Indochinese countries would be bound together by a common ideology—Marxism-Leninism—and pursue a policy of exporting communism to their countries.

This fear subsided followed the collapse of communism in the Soviet Union and Eastern Europe, which were the major sources of assistance for Indochina. Without proper assistance, Vietnam and Laos, which used to provide sanctuary to Southeast Asian communists, gave up their support for communist movements outside their borders.

The end of the Cold War and the peace agreement in Cambodia have created a new situation for Laos. To adjust, the Lao leaders are trying a balancing act on ongoing economic reforms, know as the chintanakan may (new thinking) policy, together with gradual political reforms. Laos, which is one of the world's poorest nations, has also embarked on an active two-pronged diplomacy.

On one hand, Lao diplomacy is aiming at securing new sources of economic assistance from the West, Japan, and its neighbour, Thailand. The Lao leaders believe with peace in Cambodia, foreign aid to Laos will be affected. That helps explain why Laos has accelerated its foreign policy in improving relations with non-communist countries, near and far.

Thailand, under the military junta, has adopted a friendlier policy toward Laos this year. Early this year, Bangkok announced a Bt [baht] 100-million assistance pakcage to Laos—Thailand's largest aid package to a developing country. To return its neighbour's goodwill and boost bilateral ties, Lao President Kaysone Phomvihane is scheduled to visit Thailand in early next January.

Even without assistance from the Soviet Union and Vietnam, Laos still enjoys sizeable aid form the West. Japan has now become the most important aid donor to Laos. Japan has maintained an extensive aid programme there to improve the infrastructure and train Lao officials. Japan increased its aid from US$15 million last year to US$19 million this year. Aid from Sweden and Australia rank second and third respectively.

Laos' willingness to adopt the Bali treaty was a wise move. It came at a time when Vientiane's proposal of 1988—that a new regional organization encompassing the 10 nations of Southeast Asia be established—has been made moot.

After the fifth party congress early this year, Laos has reoriented its foreign policy toward Asean by expanding its diplomatic presence. Laos has already opened two new embassies in Indonesia and Malaysia, besides Thailand. On the other hand, with the collapse of communism in East Europe, Laos has chosen to depend on its giant northern neighbour, China. Within a short period, Vientiane has successfully normalized ties with Beijing without jeopardizing its traditional link with Hanoi. Kaysone's two-week stay in China in October secured Chinese support of the current Lao leadership, both at the government and party levels.

Viewed from Vientiane, only Beijing can provide the ideological support that is needed for Laos, Asia's smallest communist nation.

Closer to home, Lao communist party leaders, who still have a monopoly of power, are unhappy with the recent political developments in Cambodia. In October, Phnom Penh announced a new party platform, abandoning Marxism-Leninism, and took up a multi-party and liberal democratic system.

They fear the changes in Cambodia could affect Lao internal politics, which have been prone to outside interference.

One Vientiane-based diplomat noted that to maintain stability, Laos could follow China's path—tightening political control while allowing further economic reforms. The veteran diplomat said that currently the influence of the Lao military within the party is increasing and could affect the country's overall openness.

Having said that, Lao foreign policy is entering a new phase, which will revolve around Asean in economic matters while its ties with China and to a lesser degree Vietnam will be strengthened and maintained, respectively, for strengthening of the party's control and ideological rapport.

SRV Soccer Squad on Goodwill Mission 13-17 Dec

BK1712033491 Bangkok Radio Thailand Network in English 0000 GMT 17 Dec 91

[Text] Twenty-five athletes, sports officials and interpreters are representing the Socialist Republic of Vietnam in the special soccer matches marking the 15th anniversary of the reestablishment of Thai-Vietnamese diplomatic relations.

Foreign Ministry said in a release that a series of special events are being held to mark the occasion in 1991. In September this year, a Vietnamese cultural troupe performed in Thailand.

During 13 and 17 December, a soccer team with sports officials and interpreters has been visiting Thailand at the invitation of the Sports Authority of Thailand.

Two friendly matches have been scheduled for 15 December in Bangkok and 16 December in Chanthaburi Province.

The Ministry of Foreign Affairs has been making efforts to strengthen close ties with neighboring countries through exchanges at all levels and in all fields.

Vietnam

National Assembly Session Continues Work 17 Dec

BK1712053891 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 17 Dec 91

[Text] This morning, the National Assembly holds its plenary session in the Conference Hall under the chairmanship of National Assembly Chairman Le Quang Dao to discuss the Council of Ministers' report on the 1991 socioeconomic situation and the socioeconomic plans for 1992 and for 1991-1995.

In this morning's session, many deputies expressed their views on the evaluation of the 1991 socioeconomic situation, analyzed the strong and weak points of the situation, and discussed major tasks and targets of the 1992 Plan and the 1991-1995 Plan.

The delegates paid particular attention to viewpoints and measures to implement the plans, including measures to quickly settle the state finance and monetary issues; exploit the potential of economic production elements; improve the structure for controlling of import, export, and foreign currencies; rearrange import-export agencies in order to restore regulations and discipline in state management; fight against corruption and smuggling; and so forth.

The detailed report of deputies' discussion in this morning session will be presented in this afternoon's newscast of the Voice of Vietnam Radio.

This afternoon, the National Assembly continues its work in the Conference Hall.

Communique No. 5 Issued

BK1712151391 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 17 Dec 91

[Communique No. 5 of the Eighth National Assembly's 10th Session]

[Text] The National Assembly held a plenary session in the morning and afternoon of 17 December. National Assembly Chairman Le Quang Dao directed the session.

The National Assembly discussed the Council of Ministers' report on the 1991 socioeconomic situation and the socioeconomic development tasks for the 1991-95 five-year period and for 1992.

A total of 33 delegates presented their viewpoints. Generally speaking, they agreed to the Council of Ministers' report. They also contributed more ideas to the report on the 1991 socioeconomic situation, and asserted achievements, weaknesses, and shortcomings that should be overcome to enhance the guidance and supervision of tasks. To effect socioeconomic changes in 1992, various delegates extensively analyzed difficulties and favorable conditions in 1992 and contributed ideas to a number of major policies and measures to be seriously implemented.

In the evening of the same day, National Assembly deputies held group discussions on our state's foreign affairs activities.

The National Assembly will continue its work at the conference hall in Hanoi tomorrow, 18 December.

Eighth Working Day Begins 18 Dec

BK1812095391 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 18 Dec 91

[Text] Today, 18 December, is the eighth working day of the 10th session of the Eighth National Assembly.

The deputies held a plenary session in the Ba Dinh Conference Hall to continue discussing the Council of Ministers' report on the 1991 socioeconomic situation and the socioeconomic tasks for 1992 and the 1991-95 five-year period.

National Assembly Chairman Le Quang Dao directed the session.

At this morning's session, 13 deputies expressed their opinions. Most of them agreed with the Council of Ministers' report and contributed many suggestions as to how to handle economic affairs and resolve the difficulties facing the national economy. Special attention was given to measures to increase the sources of income, curb inflation, resolve financial issues, achieve a balance between central and local budgets, adjust the wage system, and resolve the unemployment problem. They stressed the need to continue implementing an open-door policy aimed at attracting investment capital from domestic and foreign sources as well as to make priority investment in a number of key sectors like oil and gas, agriculture, and so forth.

Also at this morning's session, on behalf of the Council of Ministers, Minister of Finance Hoang Quy read a report providing additional details about state budget adjustments.

This afternoon, the National Assembly deputies will continue to work in the Conference Hall to discuss the 1991 socioeconomic situation and the socioeconomic tasks for 1992 and the 1991-95 five-year period.

Vietnam War Veterans Conference Held 9-11 Dec

BK1712051691 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 11 Dec 91

[Text] The Vietnam War Veterans Association's Provisional Central Committee held its fourth periodic conference in Hanoi from 9-11 December to review its past activities and decide on activities to be carried out by the association in 1992.

Attending were various comrades representing the Public Motivation Department, the Organizational Department, and the office of the party Central Committee.

The conference affirmed: In 1992, it is necessary to continue to make the association more steadfast both quantitatively and qualitatively; to organize provincial and city congresses of war veterans in preparation for the first national congress of the Vietnam War Veterans's Association to be held in late 1992; and to continue to step up activities in all respects in order to contribute to implementing the resolution of the Seventh Party Congress. It is also necessary to build up the localities concerned; to maintain political stability; to consolidate national defense and security at the grassroots; and to contribute to educating younger generations in revolutionary traditions and in the traditions of national construction and defense. Meanwhile, members of younger generations should also be urged to help one another in maintaining their qualities as Uncle Ho's soldiers, to promote mutual assistance in every life, and to protect the legitimate rights of members of the association as well as of all other war veterans as a whole.

The conference jubilantly welcomed Comrade General Secretary Do Muoi, who came to visit the association's central office and to address the conference.

The comrade general secretary discussed many important issues with the conference and gave much solicitous, heartfelt, and emotional advice to members of the association and to all other war veterans as a whole.

Do Muoi Addresses Meeting

BK1812040791 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 11 Dec 91

[Speech by Party General Secretary Do Muoi at the fourth conference of the Vietnam War Veterans Association Provisional Central Committee held in Hanoi on 9-11 December 1991—read by announcer]

[Text] Dear comrades: On behalf of the Communist Party of Vietnam [CPV] Central Committee, I would like to cordially welcome you, members of the Vietnam War Veterans Association Provisional Central Committee, and through you, I would like to convey the solicitous regards from the party Central Committe to the members of the Vietnam War Veterans Association, to all other war veterans, and to all families of disabled soldiers and fallen heroes.

It is a correct policy that our party and state has decided to set up the War Veterans Association, as it conforms to the revolutionary situations and tasks in the current stage and meets the ardent and legitimate aspirations of war veterans.

With the birth of the Vietnam War Veterans Association, our country has an additional mass organization made up of war veterans of both sexes forged during the revolutionary war. They are fighters who have dedicated their lives to the party, have wholeheartedly served the people, have devoted themselves to the cause of national liberation and to building and defending the socialist fatherland, and have fulfilled their internationalist obligations.

While in the army, they served in different armed services and combat branches and in various professions and positions. They have accumulated many valuable experiences in combat and in everyday life, and in other fields—military, political, economic, scientific, technological, cultural, and art. After fulfilling their glorious tasks in the revolutionary Armed Forces and after being released from the Army to return to their localities and to their families to reintegrate into normal life, they have again appeared in every corner of the country, ranging from urban to rural areas, from lowlands to mountain regions.

In the the Vietnam War Veterans Association, there are men belonging to all social strata and generations. There are those who once joined various Red Guard units during the Soviet-Nghe Tinh movement of 1930-31. Others joined various armed elements since the prerevolution period such as the Bac Son guerrillas, the Nam Ky guerrillas, the National Salvation Army, the Vietnam Propaganda-Liberation Army, and the Ba To guerrillas. A majority of them belong to those generations of men who grew up during the resistance war for national salvation, during the war for national defense, and during the period they performed their internationalist obligations. At present, many of them have changed their careers and are working in various party and state organs. Others have retired or have been demobilized to rejoin their families. A number of comrades, because of their old age and poor health or because of their wounds and sickness, are convalescing after gloriously fulfilling their duties. Meanwhile, there is a very large number of able-bodied comrades who continue to provide long-term service to the country in different areas of work. No matter what circumstances or areas of work they may be in, war veterans of both sexes have always upheld the Army's willpower and traditions. They are continuing to devote their utmost capabilities to serving the fatherland and the people.

As you, comrades, may know, the world situation is developing in a very complex fashion. Although there have been some initial important improvements, our country's socioeconomic situation continues to be confronted with numerous difficulties. Therefore, you, comrades, should care for ideological activities within the association, trying to make its members and all other war veterans fully aware of the viewpoints, policies, and tasks laid down at the seventh party congress and to create a high unity of views in thoughts and actions. You should continue to ascertain and persist on the way to building our country into a steadfast, civilized, prosperous, and beautiful socialist state.

When confronted with difficulties and ordeals, we should be even more persistent and steadfast, uphold the spirit of unity, and be determined to defend and develop our revolutionary gains under new conditions and situations.

The Vietnam War Veterans Association is a mass organization under the all-people great unity bloc. As a member of the Vietnam Fatherland Front, the association should, together with other members of the front, play an important role in the revolutionary undertaking. In the process of implementing its political tasks, war Veterans associations at various levels should be provided with direct leadership by relevant party committee echelons and be given assistance by the administration at various levels and by the Armed Forces and the Fatherland Front. In close coordination with other mass organizations, all organizations of the association at the grass roots should adhere to the political tasks of the localities concerned, participate in building and consolidating their localities in all respects, especially in the tasks regarding national defense and security, contribute to stabilizing the political situation and maintaining local public order and security, actively participate in the discovery of and in the struggle against negative phenomena and social injustice and against the bad practices of smuggling, corruption, and coercion of the masses.

The responsibility for educating the younger generations on how to continue to acquire, inherit, and develop the revolutionary traditions of their forefathers and their traditions of building and defending the country and to firmly follow the revolutionary path charted by the preceding generations rests with the entire society in which the War Veterans Association is required to play an active role.

The association should devise specific plans and should closely cooperate with the Ho Chi Minh Communist Youth Union, other mass organizations, and responsible organs in deploying this task in a regular and widespread manner.

The Ho Chi Minh Communist Youth Union and the Ministry of Education and Training should take the initiative in coordinating activities and holding discussions with the War Veterans Association to come up with a unified plan.

The association should pay attention to the political activities and to the emotional feelings of its members. It should meet the realistic material and spiritual interests of its members and protect their legitimate rights.

The association should try to make war veterans fully aware that by volunteering to join the association, they will be able to continue to contribute their energy and minds to the revolutionary undertaking of the country and the people. At the same time, they will be able to find from the association the love of comradeship and comrades-in-arms and the care for mutual support and assistance during ordinary times as well as during difficult moments such as deprivation, sickness, and adversities. Only by doing so can the association gather a large number of war veterans of both sexes and step up its activities

The association should organize efforts to do lawful economic businesses as its conditions and capabilities permit. This is to create more employment for war veterans and for society. Meanwhile, it should create favorable conditions for and provide assistance to those members now having difficulties and should gradually increase its operating fund.

To satisfactorily carry out these tasks, it is necessary to build and consolidate the association, improve the organizational quality of the association at various levels, especially those at the grass roots. Activities of the association should be diverse and varied with wholesome, practical, and useful contents and with formats and methods suitable to the circumstances in each given area and moment and to various age groups. This is to attract the participation of a large number of war veterans, including those who have fulfilled their military service and have already returned to their localities.

As a mass organization, the association should firmly grasp the method of motivation and persuasion, as well as promote mutual respect, voluntarism, and unity. It should fight against bureaucracy, commandism, red tape, and the imposition of will on others. The association should motivate its members to constantly undergo training to improve their political, economic, cultural, scientific, and professional knowledge; to firmly grasp the lines, advocacies, and policies of the party and the states; and to improve their knowledge and occupational skills. This is the basis for improving their revolutionary determination and abilities and for improving their knowledge so they can satisfactorily serve and effectively contribute to ascertaining and enforcing various policies and tasks of the localities concerned.

The War Veterans Association should remind war veterans to develop their revolutionary traditions, be exemplary and modest, and always maintain their lofty qualities as Uncle Ho's soldiers.

Dear comrades: Our people feel eternally grateful to and our party always holds high regard for the sacrifice and contributions of those war veterans who have duly contributed to the cause of regaining national independence, achieving national unification, firmly defending the fatherland, and fulfilling the glorious internationalist obligations.

It is hoped that the Vietnam War Veterans Association will forever deserve a reliable organization of the party, the state, and the socialist regime. Let the entire members of the association and all other war veterans in the entire country develop the heroic tradition of our Armed Forces by continuing to make contributions to the country's renovation undertaking and to the cause of building and defending our beloved fatherland.

I wish your conference good success.

Do Muoi Meets Cuban Ambassador on Farewell Visit

BK1712154791 Hanoi VNA in English 1514 GMT 17 Dec 91

[Text] Hanoi VNA Dec.17—Party General Secretary Do Muoi received here today Cuban Ambassador to Vietnam Armando Saucedo Yero who paid him a farewell visit before ending his term of office in Vietnam.

The Cuban ambassador conveyed sincere thanks from the Cuban party, Government and people to the Vietnamese party, Government and people for their support and assistance to Cuba.

General Secretary Do Muoi expressed his deep sympathy with Cuba's present difficulties. But he said he believed that under the leadership of the Communist Party of Cuba headed by President Fidel Castro Ruz, the Cuban people will gain new achievements in their glorious revolutionary cause. He thanked the Cuban party, government and people for their past as well as present support and assistance to the Vietnamese people's national construction.

U.S. Business Delegation Begins Visit 14 Dec

BK1712030891 Hanoi Voice of Vietnam in English 1000 GMT 16 Dec 91

[Text] The American Chamber of Commerce in Hong Kong, the largest outside the U.S., on Saturday [14

December] led the first formal U.S. business delegation to Vietnam since the war ended more than 15 years ago.

Warren Williams, president of the body, said that he hoped the trip would open doors for future relations between U.S. business community and Vietnam. The six-member delegation will visit Hanoi and Ho Chi Minh City.

Vice Premier Receives Delegation

BK1712154691 Hanoi VNA in English 1449 GMT 17 Dec 91

[Text] Hanoi VNA Dec. 17—The permanent vice-chairman of the Council of Ministers, Phan Van Khai, received here this afternoon a visiting delegation of the American Chamber of Commerce in Hong Kong led by President Warren Williams.

The vice-chairman described the visit as the opening of a new stage in the relations between the American and Vietnamese business circles.

He informed the American businessmen of the socio-economic construction and development in Vietnam, its open-door policy and its law on foreign investment. He noted that of the more than 300 foreign-investment projects liscenced in Vietnam so far none is owned by the Americans, and described as extremely unreasonable the fact that despite the world and regional situations have changed favourably and the Cambodia issue has been solved, the American authorities still maintains its trade embargo against Vietnam.

"In the process of renovation for national construction, Vietnam needs foreign capital and technology. As regards the United States, Vietnam holds that let bygones be bygones", Vice Chairman Khai said, and adding, "Vietnam is prepared to cooperate with the U.S., first of all in economic and commercial fields for the interests of both sides".

For his part, Mr. Williams expressed the desire of the more than 2,000 members of the American Chamber of Commerce in Hong Kong to establish business ties with Vietnam. He said he would recommend the American Government to lift its trade ban on Vietnam.

Conference Held To Review Refugee Repatriation

BK1512135391 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Dec 91

[Text] A conference was held in Hanoi this morning, 10 December, by the Ministry of Labor, War Invalids, and Social Welfare to review experience in the task of receiving and reintegrating repatriates during the past three years. Attending were representatives from a number of international organizations.

At the conference, Nguyen Thi Hang, deputy minister of labor, war invalids, and social welfare, reported on the task of receiving and reintegrating Vietnamese repatriates over the past three years.

In late 1988, representatives of the Vietnamese Government and United Nations High Commissioner for Refugees [UNHCR] reached agreement on a program for the voluntary repatriation of Vietnamese refugees. Under this program to date, more than 15,000 people have been received and sent back to their native villages in an orderly, safe, and convenient fashion via nearly 100 flights.

Thanks to humanitarian aid from various international organizations, the repatriates have begun to stabilize their lives and reintegrate themselves into the community.

Australia Grants 'Supplementary' Aid

BK1812073991 Hanoi VNA in English 0552 GMT 18 Dec 91

[Text] Hanoi VNA Dec.18—The Australian Government has decided to grant Vietnam and Cambodia 4.4 million Australian dollars as supplementary aid to development projects in two countries, said Australian Foreign Minister Gareth Evans at a Phnom Penh press conference on December 16.

Of the sum, 2 million Australian dollars will go to Vietnam to assist projects to be conducted by Australian NGOs [Nongovernment Organizations] in three years in primany health care, education, AIDS control and prevention, as well as agricultural and food production.

Recently, Australia has declared its resumption of direct aid to Vietnam.

State of Relations With China Discussed

BK1812053391 Hanoi Voice of Vietnam in English 1000 GMT 17 Dec 91

[Station commentary]

[Text] Nineteen ninety-one marks a new stage in the Sino-Vietnamese relations. This year the relations between the two countries have been formally normalized after 12 years of confrontation.

The normalization of Sino-Vietnamese relations is one of the salient features in the world and the Asia-Pacific region in 1991. This year Vietnam and China have deployed many important activities to finalize the restoration of bilateral ties. In Vietnam, right after the seventh national party congress, Vietnamese Foreign Minister Nguyen Manh Cam visited China with a message that Vietnam wants to be a friend of all nations, especially those in the region. This visit was a breakthrough in the relations between the two countries after more than a decade of tension. With this visit the two countries have (?urgently) promoted the process of normalization. The visit arranged and fixed a time for the summit between the two countries.

Two months after this event party General Secretary Do Muoi and Chairman of the Council of Minister Vo Van Kiet led a high-level delegation of Vietnam to pay an official visit to China. The Vietnamese national anthem was heard and the Vietnamese flag hoisted in the Chinese capital again after more than 10 years of interruption. The peoples of both countries were very happy to witness the event.

All high-ranking Chinese leaders welcomed Mr Do Muoi and Mr Vo Van Kiet. Chinese party secretary Jiang Zemin said: Prior to the visit to China by the Vietnamese leaders the sky was cloudy, but today when General Secretary Do Muoi and Premier Vo Van Kiet visit China the sky is clear and azure. The Sino-Vietnamese relations are like azure sky. We have closed the past to open up the future. With this event the two countries have formally normalized relation:.

The last two months of 1991 also witnessed positive developments in the Sino-Vietnamese ties. A commercial agreement and a temporary agreement on settlement of problems relating to the border issue have been signed. Other agreements on aviation, navigation and posts have been initialed; agreements on economy and railways are under discussion. The pending issues such as border, territory—including archipelagos in the distant sea—the Hoa people and the Vietnamese of Chinese origin, refugees, debt, and so on will be settled by the two countries through negotiations at an appropriate time.

Nineteen ninety-one also witnessed fine developments and expansion of the relations between Vietnamese border provinces and their Chinese counterparts. All six northern border provinces of Vietnam have sent delegations to visit their Chinese sister provinces to promote cooperation. They have signed many documents on trading, economics, and scientific-technical cooperation. The mode of trading between them has also been turned to be new one—bilateral and multilateral relations between provinces, branches, and services enriching the two countries have been formed.

A year is a short period of time, yet to Vietnam and China 1991 is a year full of significance in which the two countries have done many things useful for their relations. It is sure that 1991 will be written down in history as a landmark opening up a new stage—that of consolidation of the friendship and expansion of the relations and cooperation between the two countries.

However, complete normalization of the Sino-Vietnamese relations will be a process demanding persistence and efforts of goodwill of both sides. At present the relations between the two countries are based on the principles of self-reliance, equality, mutual respect, noninterference in each other's internal affairs. Normalization of bilateral ties will not affect each country's relations with other countries. Vietnam promised to strictly abide by the principle. At the same time, Vietnam will strive to take the Sino-Vietnamese relations to a brighter future as affirmed by Chinese party General Secretary Jiang Zemin so that 1992 will witness new steps of development in the relations between the two countries, meeting the aspiration of both people and contributing to peace and stability in the Asia-Pacific region.

Greetings to Greece, Guadalupe Communist Parties

BK1812080791 Hanoi VNA in English 0559 GMT 18 Dec 91

[Text] Hanoi VNA Dec. 18—The Central Committee of the Communist Party of Vietnam has sent its warmest greetings to the 14th Extraordinary Congress of the Communist Party of Greece (KKE) and the 10th Congress of the Communist Party of Guadalupe.

In its messages, the Vietnamese Communist Party Central Committee pointed to the important signification of KKE's congress, and highly appreciated the contributions of the Communist Parties of Guadelupe to the labouring people's struggle for freedom, democracy, equality, economic independence and self-determination in Guadalupe.

It wished the friendship between the Vietnamese party and people and the communist parties and peoples of Greece and Guadalupe further consolidation and development.

Mongolian, Burundian Envoys Present Credentials

BK1712070191 Hanoi VNA in English 0608 GMT 17 Dec 91

[Text] Hanoi VNA Dec. 17—Ambassador Extraordinary and Plenipotentiary of the People's Republic of Mongolia Gotovdorjiin Luuzan and the Republic of Burundi Thakoisse Ntakibirora presented yesterday their credentials to Vice President of the State Council Nguyen Quyet.

The Vietnamese leader had cordial talks with the foreign diplomats.

Also present on the occasion were Deputy Head of the Office of the National Assembly and the State Council Nguyen Dinh Loc, and Vice Foreign Minister Le Mai.

Vietsovpetro Invites Oil Firms To Tap Field

BK1612160991 Hanoi VNA in English 1505 GMT 16 Dec 91

[Text] Hanoi VNA Dec. 16—Vietsovpetro has agreed in principle to invite a third party to tap the biggest oilfield off the coast of south Vietnam.

At its plenary meeting last Tuesday Vietsovpetro management board said preparations need be accelerated [as received] for plans to tap crude from Dai Hung Oilfield, 250 km off Vung Tau. Exploitation is to involve fund and technologies from a third party, and profits are to be shared accordingly.

Dai Hung, according to oil industry analysts, may have recoverable oil reserves of 400 million to 500 million barrels.

About 10 foreign oil companies have submitted tenders for exploration of Dai Hung Oilfield the rights to which have already been granted to Vietsovpetro, a Vietnamese-Soviet joint venture.

Vietsovpetro, the only oil company in the country to have hit oil commercially, plans to pump 4.8 million tonnes next year. Its 1991 production schedule of 3.5 million tonnes had already been met by the first of this month. The joint venture, founded in 1981, began production in June 1986. By the end of 1990, it had pumped up 5 million tonnes of crude ashore.

WHO Director General Visits Ho Chi Minh City

BK1712161291 Hanoi VNA in English 1518 GMT 17 Dec 91

[Text] Hanoi VNA Dec. 17—The director general of the World Health Organization (WHO), Dr. Hiroshi Nakajima, has visited Ho Chi Minh City during his five-day visit as guest of the Vietnamese Government.

While there the WHO director general attended a ceremony in honour of the centenary of the Pasteur Institute of the city. He had working sessions with senior officials of the people's committee, the Institute of Public Hygiene and Health Care, and the college of medicine in the city.

Airlines Reach Out to International Market

BK1612072391 Hanoi VNA in English 0624 GMT 16 Dec 91

[Text] Hanoi VNA Dec. 16—At present, the Noi Bai International Airport in Hanoi and the Tan Son Nhat Airport in Ho Chi Minh City have been connected to nearly twenty overseas airports by direct flights and to hundreds of foreign cities by indirect flights. Aviation companies of France, Germany, the Soviet Union, Australia, Malaysia, the Philippines, Thailand, and Cambodia have opened regular or irregular services to Vietnam.

Total freight to and from Vietnam increased from 300,000 passengers in the 1985-1988 period (Vietnam Airlines' share was 12-13 percent) to nearly 600,000 passengers and more than 10,000 tons of goods in the 1989-1990 period (Vietnam Airlines accounted for 37 percent of the passenger freight and 11 percent of the cargo freight). In the first nine months of 1991, Vietnam Airlines transported as many passengers as in the whole of 1990.

The passenger freight from other countries to Vietnam is expected to reach 1.5 million by 1995 when Tan Son Nhat Airport in Ho Chi Minh City would have become a major transit point in the Southeast Asian region. Vietnam Airlines is cooperating with the Olymppic Champion Investment Ltd. Company of Hong Kong in modernizing the Noi Bai Aiport in Hanoi to raise its capacity to 3.5 million passengers year.

By then Southeast Asia and Northeast Asia would have accounted for 70 percent of Vietnam Airlines' services. Most important will be the Ho Chi Minh City-Bangkok, Hanoi-Kuala Lumpur, Ho Chi Minh City-Phnom Penh, Ho Chi Minh City-Hongkong, Hanoi-Hongkong, Hanoi-Nanking, Hanoi-Peking, and Ho Chi Minh City-Jakarta (Indonesia). Besides, Vietnam Airlines will step by step open long and medium-range flights from Ho Chi Minh City to Melbourne and Sydney (Australia), from Ho Chi Minh City Hanoi [as received] to Paris, South Korea, Japan, Germany and North America.

Vietnam Airlines has increased its annual shipment of meat, fruit and aquatic products to Hong Kong, Singapore, Thailand, Japan and Taiwan, and light industry and handicraft products to Europe. In the first 9 months of 1991, its air routes increased by 43 percent over the whole of 1990. Vietnam Airlines is cooperating with other airlines to expand its cargo transportation service. A cargo transportation route by Boeing 707 from Ho Chi Minh City to Hong Kong and vice versa has been operating since October 15, 1991. In the coming period, Vietnam Airlines will concentrate on further expanding the present network of 54 booking offices abroad especially in Hong Kong, France, Singapore and Eastern Europe and gradually integrate the booking offices for international and domestic flights.

Seminar on Women's Role in Child Care Reported

BK1712071291 Hanoi VNA in English 0630 GMT 17 Dec 91

[Text] Hanoi VNA Dec. 17—A seminar titled "Women and the National Programme of Action for Children" was held here on Dec. 16 by the Central Committee of the Vietnam Women's Union.

It was attended by Mrs. Truong My Hoa, secretary of the Communist Party of Vietnam Central Committee and vice-president of the Vietnam Women's Union, Mrs. Tran Thi Thanh Thanh, vice-president of the Vietnam Committee for Child Protection and Care and representatives from 49 provinces and cities throughout the country.

Also present were Ms. Veronica Dahlen from the Swedish Save the Children, and representative of the Vietnam UNESCO committee.

Over the past ten years the union has actively participated in working out and implementing policies and law concerning the rights of women and children, as well as in popularizing the book : "Facts for Life".

The seminar worked out the union's four-point programme of action in response to the "National Programme for Children" of women in child care and education, the stepping up of the population and family planning campaign, the bettering of the campaign to minimize the number of school drop-outs, and the better care for children in exceptionally difficult circumstances.

Hospice To Treat Child Victims of Chemical War

BK1812092991 Hanoi VNA in English 1605 GMT 18 Dec 91

[Text] Hanoi VNA Dec.18—The Thanh Xuan 'Peace Village' was inaugurated yesterday morning in Hanoi. It was built with financial help from the Oberhausen Peace Village and the Government of the Federal Republic of Germany [as received].

Mr. Ronald Gegenfurther, director of the Oberhausen Peace Village, and representatives of the German Embassy and the diplomatic corps in Hanoi were at the inauguration.

Speaking on the occasion, Prof Hoang Dinh Cau, chairman of the National Committee for Investigation of the Consequences of Chemicals used during the Vietnam War said that Thanh Xuan like other 'Peace Villages' bring up, care for and rehabilitate disabled children victims of both natural and man-made disasters such as the spraying of toxic chemicals by the US during the last Vietnam War.

Other 'Peace Villages' have been set up in Ho Chi Minh City, Lam Dong and Song Be Provinces in south Vietnam, all with financial help from the Federal Republic of Germany.

New Zealand

Central Bank Warns Economy Worse Than Expected

BK1712124291 Hong Kong AFP in English 0802 GMT 17 Dec 91

[by Michael Field]

[Text] Wellington, Dec 17 (AFP)—New Zealand got a double hit Tuesday when Finance Minister Ruth Richardson announced the budget deficit had blown out and the central bank warned the economy was contracting more sharply than expected.

Richardson's announcement is expected to increase calls for her sacking because since unveiling what she called "the mother of all budgets" on July 30 she has repeatedly said she would cut the deficit.

It appears clear the ruling National Party's promise to balance the budget by 1993 will not be achieved.

Richardson forecast a 2.75 billion New Zealand dollar (1.5 billion U.S.) government shortfall for 1991-92, one billion dollars (550 million U.S.) higher than the budget forecast.

"The thing that has blown the deficit this year are events beyond our control; a weaker world economy, less demand for our products," Richardson said on radio. "They are scarcely going to wipe a finance minister for what is happening in Washington, Bonn and London."

She claimed the higher budget deficit, together with lower inflation and a more competitive exchange rate meant "the scene has been set for growth."

The Reserve (central) Bank said the government's reversal on a plan to tax superannuation and other expenditure decisions, combined with the more pessimistic economic outlook, contributed to the higher deficit forecast.

"Most of the deterioration is expected to occur in response to a substantial fall in tax revenues compared with budget projections," it said.

In its quarterly forecasts the central bank said New Zealand's economy had been contracting more sharply than expected.

The bank forecast output to fall 1.7 percent in the year to March, with only modest recovery the following year.

A slump in investment during the first half of 1991 took the bank by surprise, but it said it remained confident that stronger exports would be "the engine of growth" in the future.

In the forecasts, the bank said inflation was falling faster than expected because of the weak domestic economy.

The consumers price index was predicted to rise 1.4 percent in the year to December 1993, compared with an actual increase of 2.2 percent in the year ended September.

"The weakness in the domestic economy has lowered inflation faster than we had previously expected," the bank said.

International credit rating agency Moody's said there would be no "knee-jerk" reaction to Richardson's statement.

Moody's Managing Director Michael Dommermuth in Sydney told the NEW ZEALAND PRESS ASSOCIATION the announcement was under question.

The new fiscal forcasts were "just one more piece of data, nothing more, nothing less.

"You don't suddenly spark an intensive review based on this input," he said

On currency markets the [word indistinct] prompted selling of the New Zealand dollar, the kiwi falling to 55 [word indistinct] close after opening at 55.70 U.S. cents.

"The outlook now is that many people are beginning to think the country's credit rating will be downgraded," said Bank of New Zealand chief dealer Bill Lyttle.

"I don't think that's the case, but the tough numbers released today have a lot of people thinking about whether we're really doing okay."

Minister on Extradition of 'Rainbow' Saboteur

BK1712114591 Melbourne Radio Australia in English 0800 GMT 17 Dec 91

[From the "International Report" Program]

[Text] New Zealand's Justice Minister Doug Graham today said his country will not seek the extradition from Switzerland of alleged Rainbow Warrior saboteur, Gerald Andries. Mr. Graham said in his opinion France was entitled to rely on declarations by two New Zealand prime ministers that the affair was at an end following earlier arbitrations. Andries, a combat diver with the French secret service, was arrested attempting to enter Switzerland last month without a passport. International warrants seeking his arrest on murder and other charges were still in place. New Zealand police confirmed a wish to extradite Andries and yesterday began a court hearing to assess the evidence against him. Our Wellington correspondent Brendan Burns is on the line now to discuss the decision not to extradite Andries. He is speaking with Helene Chung.

[Begin recording] [Burns] The decision was left to the justice minister, Doug Graham, who has used his right to decide against extraditing Gerald Andries and the reason is that two New Zealand prime ministers—both former Labor Prime Minister Geoffrey Palmer in 1990 and lately the serving prime minister, Jim Bolger—in April of this year had said that the affair was over and Jim Bolger made that statement in April during a visit to New Zealand of the former French prime minister, Michel Rocard. And during a state luncheon Jim Bolger said that the affair was closed and that he looked forward to the improvement of French-New Zealand relations.

[Chung] Well, I understand that. Is there a prima facie case against Andries? So you are saying that the decision is political, not legal.

[Burns] It is based on the fact that under international law, Justice Minister Doug Graham believes that New Zealand would not be able to sustain a case if France brought the case at the international court because there were statements which led France to believe that the affair was at a close. He is not doubting that the police could successfully bring a case againt Andries on charges on manslaughter and other charges relating to the importation of explosive devices used in the bombimg of the Rainbow Warrior in 1985. He is not doubting that, but he is questioning whether we did send signals to France which suggested that the affair was at a close.

[Chung] Well, Jim Bolger is trying to improve relations with France. Is there some fear within the New Zealand Government that there would be reprisals against New Zealand—trade reprisals for example, if it did go ahead with the extradition?

[Burns] Justice Minister Graham said that he took that into account in making his decision but it was not a decisive factor. He did report that New Zealand Ministry of External Relations staff had advised him that if the extradition were to proceed, New Zealand would risk trade reprisals with France—New Zealand has a trade worth $300 million [currency not further specified] a year with France and its territories, and that was something which Mr. Graham said he took on board but that was not the decisive factor. The factor which convinced him that extradition was not appropriate was that New Zealand had stated on two occasions at prime ministerial level that the Rainbow Warrior affair was over. [Words indistinct] which flowed on from the release of the two agents caught and convicted for the bombing, who went to French Polynesia to an atoll there and later were repatriated to France. France paid a compensation for the release of those two agents. [end recording]

Papua New Guinea

Somare To Head Delegation to Bougainville Talks

BK1812092491 Melbourne Radio Australia in English 0500 GMT 18 Dec 91

[Text] In Papua New Guinea, Foreign Minister Sir Michael Somare says he will lead a top-level delegation in talks with leaders from South Bougainville. The talks which are scheduled for next week will be held in Solomon Islands.

Sir Michael's confirmation of his attendance at the talks followed discussions yesterday with Prime Minister Namaliu. The talks were requested by Bougainville's southern leaders to discuss the restoration of goods and services to the breakaway island.

Sir Michael said Papua New Guinea delegation will include Attorney General Bernard Narokobi and Provincial Affairs Minister Father John Momis.

If it takes place as planned the meeting will be the most important between the government and the Bougainville representatives since the last round of peace talks in January.

Solomon Islands

Government Refuses To Host Talks on Bougainville

BK1812092691 Melbourne Radio Australia in English 0800 GMT 18 Dec 91

[Text] Solomon Islands has refused to host talks between the Papua New Guinea Government and leaders of Southern Bougainville. The talks are scheduled to take place next week (Gizo) in the country's Western Province.

They are requested by Bougainville's southern leaders to discuss the restoration of goods and services to the breakaway island and today Papua New Guinea's foreign minister, Sir Michael Somare, confirmed that he would lead a government delegation at the meeting. But, Solomon Islands acting foreign affairs minister, Sir Baddeley Devesi, says the meeting will only cause inconvenience to the Solomon Islands National Government and to the Western Provincial Government.

Vanuatu

Parliament Names New Prime Minister, Cabinet

BK1612124491 Hong Kong AFP in English 1232 GMT 16 Dec 91

[Text] Port Vila, Dec 16 (AFP)—For the first time in 11 years of independence a member of the French-speaking minority in the Pacific island nation of Vanuatu, Maxime Carlot, became prime minister on Monday.

Carlot was voted in at the first sitting of parliament since the December 2 elections, when the Francophone Union of Moderate Parties (UMP) won 19 of the assembly's 46 seats.

As well as the premiership, the UMP holds six cabinet posts, among them interior and education—key appointments to implement its pledge to provide a bigger proportion of civil service jobs and better schooling for the French-speaking community. The important post of parliamentary speaker goes to another UMP member, Alfred Maffing.

Four cabinet posts, including the deputy premiership, go the National United Party (NUP) which former prime minister Walter Lini set up after he was forced out as leader of the Vanuaaku Pati (VP) and then as prime minister in September.

Monday's parliamentary session was delayed for several hours while the rump of the VP, led by outgoing prime minister Donald Kalpokaf, carried out procedural motions.

Lini himself is not a member of the new government, but his sister Hilda becomes the country's first woman cabinet minister with responsibility for health and rural water supplies. The portfolio of women's affairs is still held by a man.

Cabinet:
Prime Minister—Maxime Carlot (UMP)
Deputy Premier, Culture and Women's Affairs—Sethy Regenvanu (NUP)
Foreign Affairs and Toursim—Serge Vohor (UMP)
Finance Trade and Industry—Willy Jimmy (UMP)
Natural Resources—Paul Telukluk (UMP)
Interior—Charley Nato (UMP)
Health and Rural Water Supply—Hilda Lini (NUP)
Transport, Public Works, Ports and Marine, and Urban Water Supply—Amos Bangabiti (UMP)
Education—Romain Batick (UMP)
Agriculture, Livestock, Forests and Fisheries—On' Tabi (NUP)
Posts, Telcommunications and Meteorology—Edward Tambisari (NUP)

Prime Minister Appeals for International Aid

BK1512083691 Melbourne Radio Australia in English 0800 GMT 15 Dec 91

[Text] The man likely to become the next prime minister of Vanuatu, Maxime Carlot, has foreshadowed a call for an international aid to help his country out of what he called its catastrophic economic plight.

Mr. Carlot said the call would be directed to Australia, New Zealand, France, and Britain. He said the outgoing Vanua'aku Party Government headed by Donald Kalpokas had failed to obtain sufficient aid leaving the new administration empty-handed.

Mr. Carlot also bitterly accused the Vanua'aku Party of plotting efforts to form a coalition government which the Union of Moderate Parties [UMP] would have preferred. Mr. Carlot said that in forming a coalition with the National United Party of former Prime Minister Walter Lini many people believed that the UMP had made a pack with the devil.

Western Samoa

Staple Food Exports Banned After Cyclone Val

BK1512054091 Hong Kong AFP in English 0512 GMT 15 Dec 91

[Text] Wellington, Dec 15 (AFP)—The Western Samoan Government has banned the export of staple foods in the wake of Cyclone Val which devasted the islands last week, a government disaster official said Sunday.

National Disaster Council Chairman Tuilaepa Sailele told the New Zealand Press Association in the Western Samoan capital of Apia that the ban on the export of taro and bananas was an attempt to ensure people did not go hungry following Cyclone Val.

The storm virtually wiped out the country's food crops during the four days it ravaged the country last week.

It killed 12 people and one in the neighbouring United States dependency of American Samoa.

Two years ago the damage caused to taro plantations by Cyclone Ofa was used as an excuse by some planters to export their crops, Sailele said.

They claimed the crops were unprotected and if left would go unharvested.

The declaration to impose the ban was made at an emergency meeting of the cabinet Sunday, the report said.

The meeting, postponed from Saturday, was due to finalise requests to overseas governments for aid.

But Sailele said the draft report on the damage was not finalised yet and the cabinet would meet again.

He said the cabinet had also discussed the possibility of asking the head of state, Malietoa Tanumafili, to issue a decree stopping shopkeepers raising the price of foodstuffs, but had decided existing price controls were sufficient at the moment.

There have been reports of the price of sacks of rice increasing significantly since the cyclone.

Meanwhile, the New Zealand frigate Canterbury berthed in Apia Harbour briefly Sunday before heading for the island of Savai'i where its crew are to drop off building materials and begin rebuilding the base hospital at Tuasivi.

A French naval vessel also arrived yesterday with supplies.

Australia, New Zealand Send More Emergency Aid

BK1712132191 Melbourne Radio Australia in English 0500 GMT 17 Dec 91

[Text] Australia and New Zealand is sending more emergency aid to Western Samoa following the devastating cyclone that hit the country last week causing damage estimated at about $300 million [currency not further specified].

Australia is sending another two planes with relief supplies, while, New Zealand is sending another plane and a ship. New Zealand Government is also planning to send trades' people such as carpenters and plumbers to help restore services.

The Western Samoan Government says virtually no area escape the effects of Cyclone Val, which battered the country for four days. The government is also seeking aid from international organizations such as the World Bank.